

Resourcing Strategy 2022-25

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Resourcing Strategy

The reality is, we can't afford to do everything that the community desires all at once. The Resourcing Strategy allows Council to map out our community's needs in an affordable way over the next 10 years.

Bega Valley Shire Council's Resourcing Strategy supports the Community Strategic Plan (CSP) 2042. Where the CSP provides a vehicle for expressing long-term community aspirations, the Resourcing Strategy details how Council can help achieve these in terms of time, money, assets and people.

Effective resource planning ensures Council will focus not only on the short-term actions indicated in the yearly Operational Plan, but also on the medium and long-term goals for the shire.

The CSP documents the aspirations and priorities of our community. Importantly it is the community's plan for the future, not just a Council plan.

Based on what the community told us, the CSP is framed around five themes:

- Our community – A connected and vibrant community where people are happy, safe and well
- Our economy – A resilient and prosperous economy that supports employment and learning opportunities
- Our environment – We embrace sustainable living and value and conserve our natural environment

- Our infrastructure – Our infrastructure complements our natural surroundings and character while enhancing the lives of our community
- Our civic leadership – Local leadership, is strong, consultative and responsive to our community's needs.

The Resourcing Strategy is the critical link between the Community Strategic Plan and the Delivery Program, detailing the provision of resources to implement the strategies for which Council is responsible.

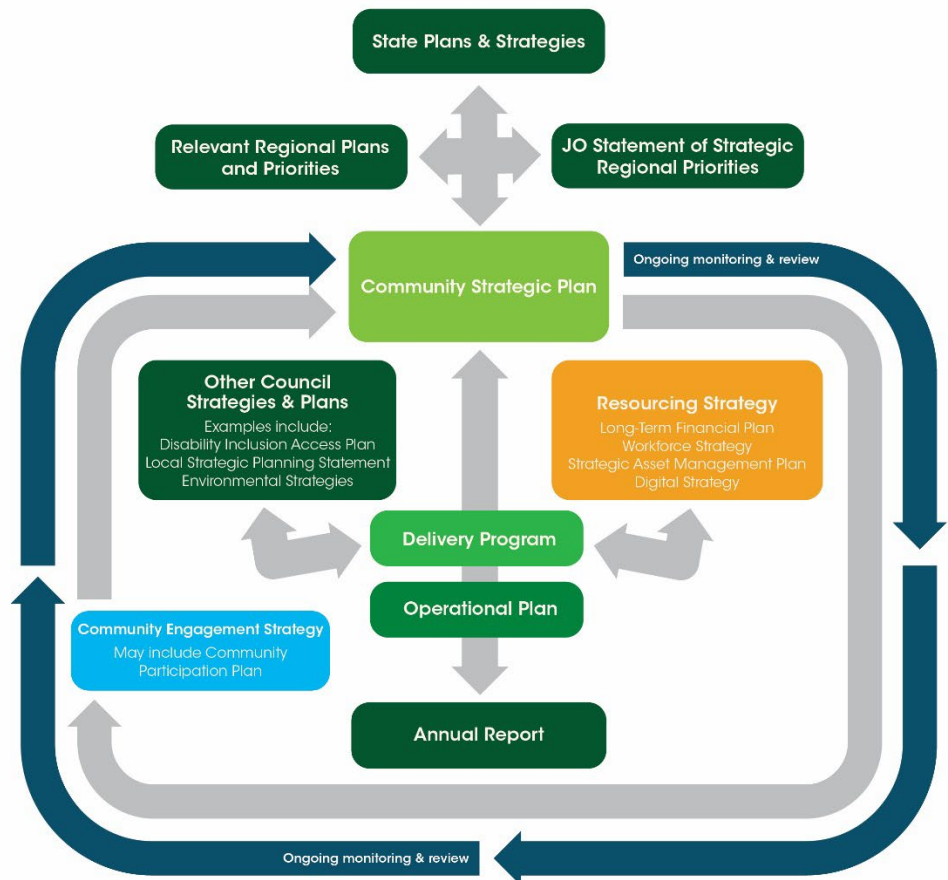
Like the Delivery Program, the Resourcing Strategy is prepared every four years although the action plan in each component is monitored and reviewed annually to ensure our resources are being managed to achieve the community's goals.



Framework

The NSW Local Government Integrated Planning and Reporting framework acknowledges most communities share similar aspirations: a safe, healthy and pleasant place to live, a sustainable environment, opportunities for social interaction, education and employment, and reliable infrastructure. The difference lies in how each community responds to these needs.

The framework has been developed with the understanding that council plans and policies should not exist in isolation – they are interconnected. It allows NSW councils to draw their various plans together, understand how they interact and get the maximum leverage from their efforts by planning holistically and sustainably for the future.



Community Strategic Plan

Outlines the 20 year + strategic direction for the Bega Valley Shire.

Resourcing Strategy

Details Council's approach to long term financial planning, workforce planning, digital investment and asset management. It provides a vital link between the Community Strategic Plan and Delivery Program.

Delivery Program

Aligns with the four year term of the Council; it details Council's response and commitment to implementing, within available resources, the long term vision contained in the Community Strategic Plan.

Operational Plan and Budget

Outlines the activities Council will carry out in the coming financial year to achieve the Delivery Program and the long-term vision identified in the Community Strategic Plan.

Monitoring and Reporting

The Community Strategic Plan and Resourcing Strategy are reviewed every four years in line with the Local Government election cycle.

The Delivery Program and Operational Plan are reviewed annually to ensure Council's long-term planning is consistent with the current and future needs of the community.

In addition to our Annual Report, we report every six months on progress towards our Delivery Program and current annual Operational Plan.

This Resourcing Strategy contains four key components, which consider the time, money, assets and people needed to respond to the long term strategic aspirations outlined by the community. Importantly the initiatives outlined in each of the plans are reviewed annually to ensure they remain appropriate for the changing environment and incorporate community feedback.

A short summary of each component of the Resourcing Strategy is included below.

Long Term Financial Plan

The Long Term Financial Plan (LTFP) is a decision making tool that allows various assumptions and sensitivity analysis to be carried out that will indicate the ability of Council to deliver cost-effective services to our community into the future, within a framework of financial sustainability. The LTFP takes into account known and projected events over the next 10 years and compiles the best estimates of its operating results and financial position.

The Long Term Financial Plan:

- provides long-term financial projections and highlights issues which may impact on our future financial sustainability

- helps assess the long-term financial sustainability of present and future service levels
- allows various scenarios to be tested with regard to different levels of service delivery
- identifies future funding gaps in advance so action can be taken to address shortfalls
- allows sensitivity testing with regard to various assumptions contained within the plan.

It is within this plan that the long-term aspirations and goals of our community are tested against financial reality.

Workforce Strategy

The Workforce Strategy considers the people, capabilities, experience and expertise required to implement Council's four-year Delivery Program and continue progressing us towards the Community's long-term goals outlined in the Community Strategic Plan. The plan integrates principles of human resource management, strategic workforce planning and capability building. It outlines how Council will develop and maintain a high-calibre employee base that meets current and future organisational and community needs.

The Workforce Strategy includes:

- an explanation of the Integrated Planning and Reporting (IPR) framework and where the Workforce Strategy sits within that framework

- an overview of the corporate values embedded within the organisation
 - the major achievements from the 2017-21 Workforce Strategy
 - an organisational profile
 - a summary of the strategic challenges and opportunities
 - financials considerations
 - the actions Council will take to ensure we build and maintain an appropriate workforce structure and culture to meet the objectives of the Delivery Program 2022-25.
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Strategic Asset Management Plan

Council manages and maintains more than \$1.7 billion of assets, which enable us to provide services to our community. These assets include roads, drainage, pathways, water and sewer infrastructure, community facilities, parks and recreational facilities, administration buildings, cemeteries, works depots, plant, fleet and the Merimbula Airport. The Strategic Asset Management Plan (SAMP) sets out the broad framework for undertaking structured and coordinated management of Council's assets. It outlines key principles that underpin our approach to providing the assets that are essential to our community.

The SAMP highlights the long-term funding challenges Council must address to meet the commitments outlined in the Community Strategic Plan and deliver the level of service desired by the community over the next 10 years. Supporting the SAMP are detailed Asset Management Plans for each asset class, which are living documents that are continually updated and refined.

Digital Strategy

Council, like many other modern organisations, relies on effective digital resource management to support the operational activities required to deliver services.

Council has substantial investment in traditional information technology infrastructure including corporate information systems, website services, data management and storage and technology assets.

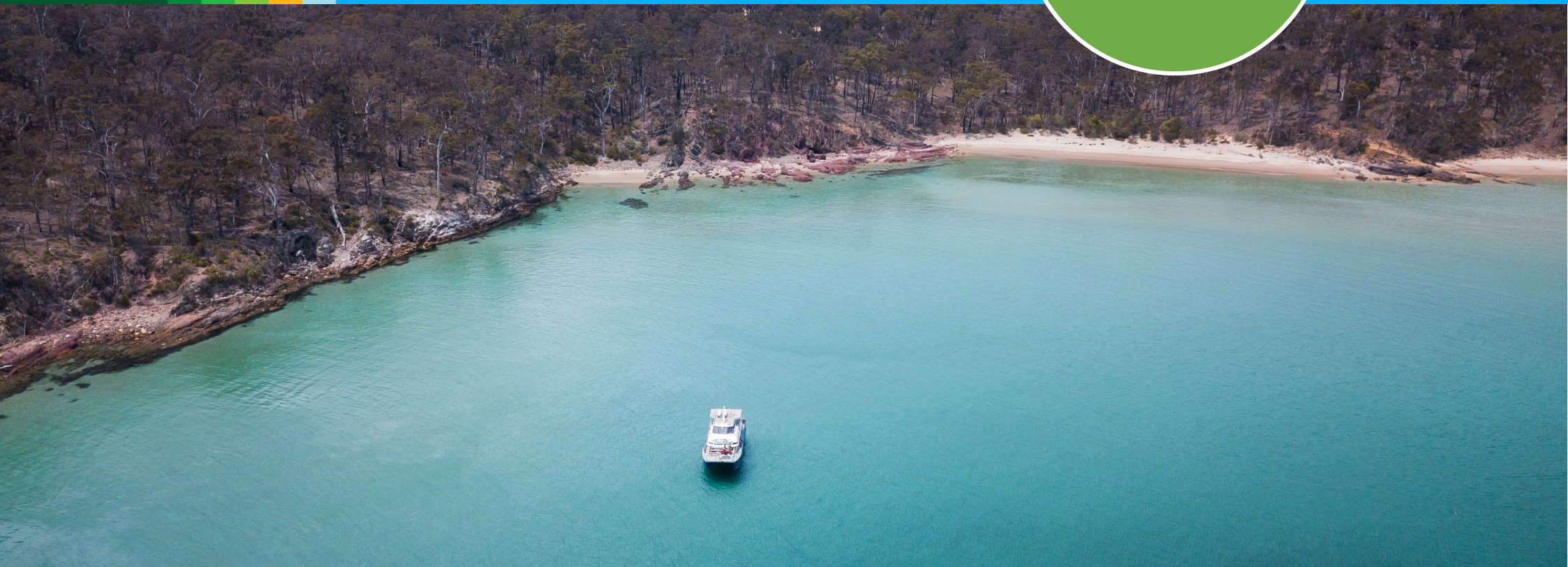
Continued investment in digital transformation will enable Council to keep pace with the modern world and technology advancements.

The Digital Strategy outlines how Council will continue our journey of digital transformation delivering on our key digital transformation outcomes of:

1. A more efficient Council – increased flexibility and mobility of our staff
 2. Improved service to Council customers – increased ease of use and access to our services
 3. Smarter community engagement – increased digital investment to better connect with our community.
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Long Term Financial Plan 2023–32

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Bega Valley Shire Council acknowledges the Traditional Custodians of the lands and waters of the shire, the people of the Yuin nation, and show our respect to elders past, present and emerging.

Contents

Executive Summary 3

Framework..... 4

Financial Sustainability..... 5

General Assumptions 6

Growth 6

Inflation..... 6

Asset Management..... 6

Service Standards..... 6

Structure and Regulatory
Environment..... 6

Revenue Assumptions 7

Rates and Charges..... 7

User Fees and Charges..... 7

Grants and Subsidies..... 7

Developer Contributions..... 8

Asset and Land Sales 8

Reserve Transfers..... 8

Borrowings 8

Interest and Investment Income.. 8

Other Revenue 8

Expenditure Assumptions 9

Employment Costs..... 9

Borrowing Costs 9

Materials and Contracts 9

Depreciation and Amortisation ... 9

Other Expenses..... 9

Scenarios 10

Scenario 1- Decline 10

Scenario 3 - Improve..... 10

Performance Monitoring- General Fund 11

Appendix 12

Executive Summary

The Long Term Financial Plan (LTFP) is an essential element of the Resourcing Strategy that details how the strategic aspirations of Bega Valley Shire Council (Council) outlined in the Community Strategic Plan can be achieved in terms of time, money, assets and people.

The LTFP is a 10 year financial planning document with an emphasis on long-term financial sustainability. Financial sustainability is one of the key issues facing local government, due to several contributing factors, including growing demands for community services and facilities, constrained revenue growth, escalating materials costs and ageing infrastructure.

The LTFP is formulated using a number of estimates and assumptions to project the future revenue and expenditure required by Council to deliver those services, projects and programs expected by the community. In doing so, it considers the resources that impact Council's ability to fund its services and capital works whilst remaining financial sustainable.

Since adoption of the last Resourcing Strategy in 2017, Council has reviewed and adopted multiple versions of the LTFP. The most recent version of the LTFP was adopted in May 2021 and recommended the staged introduction of a Special Variation (SV) from the 2023 financial year.

For this updated LTFP, three scenarios have been developed with a recommendation to proceed with *Scenario 2 - Maintain* which proposes a single year SV increase of 35% permanently applied to the rate base commencing 1 July 2023.

Council will undertake a further review of this Long Term Financial Plan and our Strategic Asset Management Plan in the coming months as further progress is made with asset revaluations across several of our asset classes.

Without significant asset renewal intervention the quality of assets (and the services they support) will continue to decline across key service areas of Council.

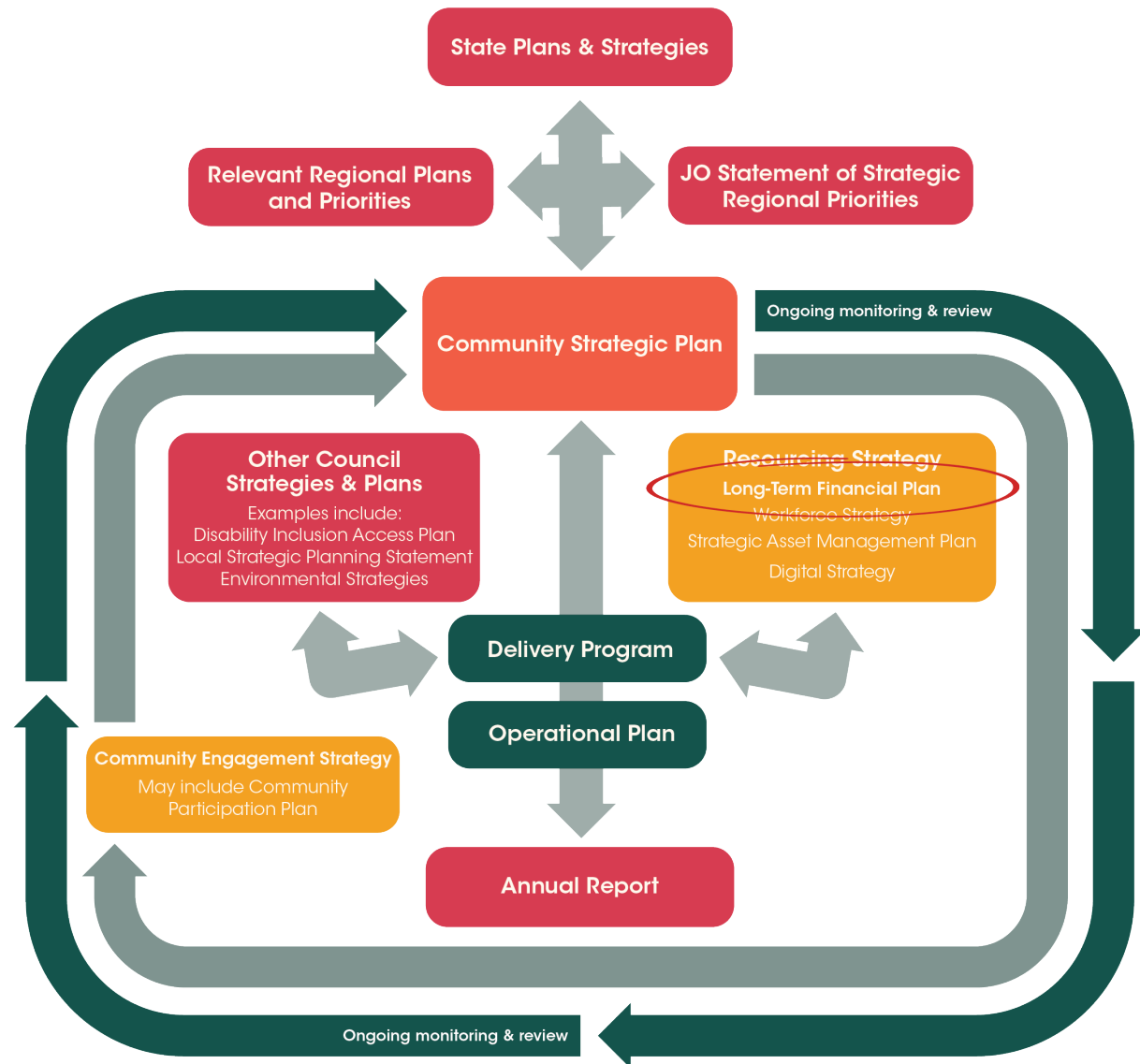
Whilst there are three consolidated scenarios included in the LTFP all are based on one model each for water, sewer and waste. Council adopted a strategic position on waste services (with an improved level of service) in October 2021 that informs the waste model and is currently finalising a Strategic Business Plan for water and sewer services that have informed those models.

The LTFP provides the blueprint for the future delivery of works and services at Bega Valley Shire Council with a background of affordability and long-term financial sustainability. Moving forward without a special variation, Council is not able to remain financially sustainable. Rising costs will exceed our capacity to generate enough income to meet the needs of our community with service provision and asset maintenance. Increasing our revenue source that spreads the investment and acknowledges intergenerational equity is required.

Framework

The Long Term Financial Plan is a decision-making tool that allows various assumptions and sensitivity analysis to be carried out that will indicate the ability of Council to deliver cost-effective services to our community into the future, within a framework of financial sustainability. The LTFP takes into account known and projected events over the next 10 years and compiles the best estimates of its operating results and financial position.

It is within this plan that the long-term aspirations and goals of our community are tested against financial reality. It underpins all other documents in the Integrated Planning and Reporting framework and is reviewed annually when Council forecasts it's next year's budget.



Financial Sustainability

The LTFP provides a decision-making tool that allows various assumptions and sensitivity analysis to be carried out, indicating the ability of Council to deliver cost-effective services to our community and ensuring appropriate maintenance and replacement of our ageing infrastructure within a framework of financial sustainability.

Financial sustainability for Bega Valley Shire Council means:

- Council must have an appropriately funded capital program
- Council must maintain its asset base 'fit for purpose'
- Council must achieve a fully funded operating position
- Council must maintain sufficient cash reserves
- Council must have adequate resources to meet ongoing compliance obligations

This presents us with challenges that have informed the LTFP forecasting model. In simple terms, this can be expressed as:

- Fund the capital program with a focus on renewing existing assets, not building 'new' assets; including consideration of life-cycle costing of assets in decision making
- Investment in our asset base at agreed service levels (which includes potential asset rationalisation to focus investment on priority community assets)
- General Fund expenses do not exceed income (stop spending more than we have) and we work towards a positive cash flow
- Reporting our externally restricted reserves and active monitoring of internal reserves managed by Council
- Achieve our target of \$1.5m in unrestricted cash
- Priority of Council is to meet our legal obligations (core/non-discretionary); all reserves to be cash-backed

The other area of focus is to ensure cost recovery scoping for grants and any other service areas that should have a cash neutral operating position.

The LTFP aims to demonstrate to the public that with sound financial management and comprehensive planning that includes a future special variation, Council can continue to be financially sustainable in the future. Should the Council or the community choose to not proceed with a special variation or change the current level of services or projects delivered by Council then the financial impacts of those decisions and cost to the community must be taken into consideration. This is why a review of the LTFP is undertaken annually with the Operational Plan and budget.

General Assumptions

In planning for the financial year 2022-23 and beyond, Council has made a range of assumptions. Our current budget and LTFP model is based on the most likely scenarios.

As part of undertaking financial modelling, key assumptions that underpin the estimates must be made. The following assumptions have been used in the modelling contained in the LTFP.

Growth

In assessing future growth we have referred to NSW Planning and Environment's Local Government Area Population, Household and Dwelling Projections for the Bega Valley.

Inflation

We have generally applied a 2.5% annual increase based on the Consumer Price Index for the duration of the model. A small movement in the Consumer Price Index (CPI) indices can have a significant negative impact on Council's operating position.

Asset Management

One key assumption of the LTFP is that Council's Strategic Asset Management Plan (SAMP) and Asset Management Plans (AMP's) for each asset class reflect an accurate maintenance profile for all of Council's \$1.7 billion of assets.

Council is implementing an asset management system to improve the timeliness, relevance and accuracy of data. It is considered a critical investment for Council if we are to make significant progress in this area of our operations.

Service Standards

Council's current service standards are not all at the required levels i.e. there are some operational areas where additional funding is required to meet service levels including:

- information technology improvements
- business improvement projects e.g. record digitisation
- increased service level increases e.g. beach lifeguards
- transport studies including bridge assessments.

These additional costs have been included in the maintain and improve scenarios however are not funded in the decline scenario.

Structure and Regulatory Environment

Council is both a Local Government Authority regulated by the *Local Government Act 1993* and a Water Supply Authority regulated by the *Water Management Act 2000*. This means that Council is responsible for delivering the diverse range of services associated with local government such as roads, open space, community facilities and waste management along with provision of local water and sewer services.

Council has separate funds- Water Fund, Sewer Fund, Waste Fund and General Fund- to ensure appropriate reporting of services based on restrictions. The Consolidated Fund refers to the total of all services provided by Council and includes all of the funds.

Revenue Assumptions

In determining the likely revenue that will be available to meet the community's long-term objectives, we have considered the following:

Rates and Charges

Rates and charges are the primary source of annual income, contributing about 38% of total annual income. The LTFP model includes a rate increase of 2.5% for 2022-23. This is comprised of the advised rate peg inflation of 0.7% issued by the Independent Pricing and Regulatory Tribunal (IPART) along with a one-off 'Additional Special Variation' of 1.8% for 2022-23 to bring the rate increase up to 2.5% as was modelled in the previous LTFP. The 'Additional Special Variation' application has been submitted and Council is assuming in this model it will be approved. Subsequent years increases are based on an estimate of the Local Government Cost Index.

As rates and charges are a major component of Council's revenue base this LTFP includes forecasting of a Special Variation (SV). The process for an SV includes an assessment of the community's capacity and willingness to pay rates prior to making a formal application to IPART to introduce the SV.

User Fees and Charges

A number of the services we provide are offered on a user pays basis. In general, Council

follows a cost-recovery philosophy towards the provision of services. It recognises people's ability to pay and balances an expectation that some services will be cross subsidised from rates for the common good of the community.

In preparing this LTFP, possible future income from fees and charges has been refined by moving towards identifying the true cost of service delivery for each area of Council so accurate and reflective fees and charges can be applied. The LTFP model currently allows for a 2.5% increase each year beyond 2023 to apply to fees and charges, except where determined otherwise by relevant legislation or a Council resolution.

Grants and Subsidies

We receive an annual Financial Assistance Grant (FAG) allocation from the Commonwealth as well as grants for specific projects and programs. In preparing the LTFP we have assumed we will continue to receive both operating and capital grants and have applied a 2.5% increase for the duration of the model.

Council has identified the prepayment of the FAG and the impact of this on the 2022-23 budget and has modelled the full payment of the FAG in the 2023-24 budget in that financial year.

Council has also reduced expected grant income in the 2023-24 model and subsequent years to reflect the removal of current project operating grants that are not expected to continue.

Capital grants should only be applied for if there is strategic alignment with Council's adopted direction. The application must consider appropriate project costs and inflation given market demand and rising construction costs. The acceptance of the grant must consider all ongoing operations, maintenance and renewal linked to the capital project being delivered. Should the identified capital grant funding source not be achieved then the projects must be re-evaluated. Capital grant income should be directly linked to the expenditure and a conservative approach to predicting grant success should be applied.

During the past two years, with the emergence of COVID-19, there has been an increase in capital and operating grants made available to assist Council in funding specific projects and programs. However, it is not anticipated that the current rate of available grants will continue into the future. The increase in grants over this period is expected to reduce as the economy returns to a more normal way of operating. It is possible that as a result of

increased available grants in recent periods, future grants will reduce below the previous level. This would require Council to seek other methods of funding operating and capital programs without the benefit of grants.

Developer Contributions

Section 7.11 and Section 7.12 developer contributions must be expended on the works outlined in the adopted Contributions Plan. Revenue from these contributions is largely aligned to population and housing growth and have been modelled at conservative levels, close to CPI, with allocation of the contributions to capital works sitting at 85% of the projected income. The adopted Developer Contributions Plan is currently under review.

Asset and Land Sales

Council is reviewing its current land and asset holdings and divesting where no longer required for the operation of Council. Income from asset and land sales is only included in the LTFP and annual budget when the sale proceeds are received and the income is deposited in the appropriate reserve.

Asset sales related to the sale of plant once it has reached the end of its useful life with Council is outlined in a detailed change-over plan which estimates the trade value of all items of plant and the year of optimum trade. The overall impact of asset sales does not impact the LTFP as the balancing entry will be asset purchase (replacement of the fleet). The net impact is always zero.

Reserve Transfers

Council uses reserves (cash set aside for a specific purpose) as a means of building up required funds, rather than relying on borrowing. Council has continued to reduce and realign the reserves we hold. Many of the reserves are restricted due to regulations and cannot be allocated to general use. Reserve balances are reported quarterly and movements are reported to Council via the quarterly budget review process. In all instances where reserve funds are used in the LTFP, calculations are undertaken to ensure adequate funding will exist to meet the LTFP forecasts.

Borrowings

The LTFP recognises debt as an important source of funds for large capital projects. Council finances some of its major infrastructure expenditure through borrowings. This allows the cost of these long-lived assets to be spread over a number of years and across the generations that will use them, and smooths out long term expenditure peaks and troughs. In March 2021 Council investigated the possibility of reducing its current loan obligations however the break costs for the loans were significant and prohibitive in progressing with any consolidation or refinancing.

As outlined in Council's adopted Financial Strategy the use of loan proceeds is only to fund capital projects with two loans outlined

for the Airport and Gallery upgrades in the last LTFP. This LTFP includes funding of Waste capital improvement projects from loan funds. The LTFP forecasts both the quantum of any borrowings required to fund the planned capital project as well as the cost to repay that debt. The model includes a debt allocation and subsequent repayment profiles.

Interest and Investment Income

The cash rate since the year 2000 has averaged approximately five per cent. Currently, yields are approximately two per cent. The amount currently received in General Fund is only minor and will not have a material change with large variations in interest rate movements. Income from interest and investments in the LTFP model is set at 1.75%.

Other Revenue

For operating revenue this includes items such as fines, recovery fees, fundraising and insurance claims. These have been forecast to increase by 2.5% in the LTFP model, using the CPI factor. Capital contributions by third parties (not levels of government) can be included in the LTFP or annual budget process as they are confirmed.

Expenditure Assumptions

In developing expenditure forecasts, new expenditure items and ongoing commitments have been considered. This includes costs for capital and recurrent expenditures such as maintenance costs and capital renewals for infrastructure assets. Consideration has also been given to appropriate phasing of when the costs are expected to be incurred including expenditure for planning, construction, implementation and ongoing maintenance.

The capital expenditure forecasts are guided by Council's Asset Management Plans. These values represent the funding required by the asset owners to deliver on the adopted level of service. It is important to understand that a change in level of service whether to increase or decrease must result in a change to the funding of that service as well as its resourcing profile.

To provide better clarity and consistent reporting in line with our financial statements and to foster links through to our Asset Management Plans this LTFP categorises operating expenditure into:

- employment costs
- borrowing costs
- materials and contracts
- depreciation and amortisation
- other expenses.

Due to the difficulties in forecasting some of these categories, the LTFP in some instances uses a historical trend formula to assign expenditure as a guide to future decision-making.

Employment Costs

Employment costs are impacted by several issues including skill shortages, staff turnover due to an ageing workforce; superannuation increases; award salary increases being above CPI and the rate peg.

The current Local Government State Award provides for an annual increase of 2% per annum and this has been included for the duration of the LTFP model. The LTFP also includes the superannuation guarantee increase of 0.5% commencing in 2022 from 10% to 12% in 2026.

Borrowing Costs

The borrowing costs on any new borrowings have been modelled at 5% for the model.

Materials and Contracts

Materials and contracts costs represent a significant investment to deliver services to the community. It covers all materials used in operational activities including contract and consultancy expenditure. The LTFP allows for an increase of 2.5% per annum for the duration

of the model. Increasing costs of operating and capital materials, as well as the availability of these materials, create many challenges for Council. The cost of construction has risen significantly in 2021 and 2022. Increasing costs mean efficiencies are required to be made continually in how Council spends money to provide these services.

Depreciation and Amortisation

Depreciation is a charge made against each of Council's assets in an attempt to measure its degradation over the financial year less any residual value at point of sale. Council's depreciation methodology can be found in the notes to the General Purpose Financial Statements. The depreciation expense assumed in the LTFP has been calculated in accordance with this methodology. Estimates have also been included for the projected depreciation cost of new assets that are identified within the proposed capital works program.

Other Expenses

This category primarily relates to insurances, statutory charges (including election costs, emergency services levy) and other program expenditure such as councillor expenses and valuation fees. The LTFP allows for an increase of 2.5% per annum for the duration of the model.

Scenarios

We have developed three scenarios in the LTFP with Scenario 2 - Maintain recommended for adoption.

Scenario 1- Decline

The decline model shows our unsustainable financial trajectory with expenses continuing to exceed income. There will be a reduction in the levels of service and quality of assets, including extending the operating life of assets beyond their estimated useful life.

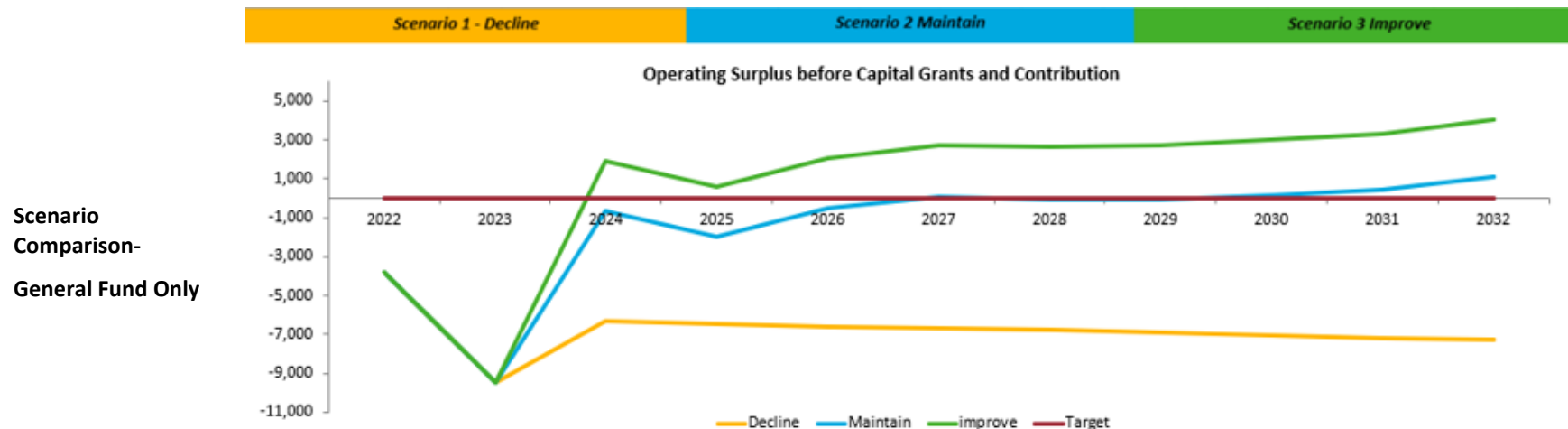
Scenario 2 - Maintain

The Maintain model proposes a single year SV increase of 35% permanently applied to the rate base commencing 1 July 2023. This is the recommended model and will assist Council to remain financially sustainable and meet it's current asset management and operational needs.

Scenario 3 - Improve

The Improve model proposes a single year SV increase of 40% permanently applied to the rate base commencing 1 July 2023. This scenario provides a balanced blend of desirable outcomes where levels of service increase (generally requiring greater expenditure), new services/assets are acquired, and some existing assets are upgraded/expanded based on community desire.

The financial statement forecasts for each scenario and graphs are included in the Appendix.



Performance Monitoring- General Fund

A key part of the LTFP is the measurement of performance against the plan. IPART and NSW Treasury Corporation (TCORP) have provided ratios which serve as benchmarks to assess in the measurement of performance and to assess the long term financial sustainability of local government bodies. Council is required to publish the ratios in the Annual Financial Statements under Note 26(a). The performance measures demonstrate performance trends on the basis of forward projections and assumptions contained in the LTFP. These projections are based on **Scenario 2- Maintain Model for the General Fund**.

	Benchmark	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
1. Operating Performance	>0.00%	-13.87	-0.90	-2.60	-0.70	0.12	-0.10	-0.08	0.20%	0.50%	1.19%
Total continuing operating revenue excluding capital grants and contributions less operating expenses / Total continuing operating revenue excluding capital grants and contributions											
2. Unrestricted Current Ratio	>1.50	0.8	0.8	0.7	0.7	0.7	0.8	0.7	0.8	1.0	1.1
Current assets less all external restrictions / Current liabilities less specific purpose liabilities											
3. Own Source Operating Revenue Ratio	>60.00%	40.11%	61.37%	61.39%	61.39%	61.41%	61.43%	61.47%	61.48%	61.51%	61.58%
Total continuing operating revenue excluding all grants and contributions / Total continuing operating revenue											
4. Debt Service Cover Ratio	>2	2.4	3.5	3.3	3.6	4.7	4.2	4.7	4.5	4.6	4.8
Operating result before capital excluding interest and depreciation/impairment/amortisation / Principal repayments (from the statement of cash flow) plus borrowing interest costs (from the income statement)											
5. Cash Expense Cover Ratio	> 3 months	6.7	2.3	2.3	1.6	1.7	1.8	2.5	2.4	2.7	4.0
Current year's cash and cash equivalents + term deposits / Payments from cash flow of operating and financial activities											
6. Building and Infrastructure Renewals Ratio	>100%	330%	211%	273%	151%	91%	97%	129%	97%	114%	68%
Asset renewals (renewals only for Infrastructure Assets)											

Appendix

CONSOLIDATED

Scenario 1 Financial Statements - Decline

Income Statement - Consolidated

Decline	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Income from continuing operations											
Rates and annual charges	56,398	58,223	59,679	61,171	62,700	64,267	65,874	67,521	69,209	70,939	72,713
User charges and fees	20,463	21,388	21,923	22,471	23,033	23,608	24,199	24,804	25,424	26,059	26,711
Interest and investment revenue	333	625	870	635	447	283	220	112	128	186	269
Other revenues	4,066	2,962	3,039	3,115	3,193	3,273	3,355	3,439	3,525	3,613	3,703
Grants and contributions - Operating	33,252	31,462	27,649	28,340	29,048	29,774	30,519	31,282	32,064	32,865	33,687
Grants and contributions - Capital	53,489	40,449	15,414	14,072	8,172	8,375	8,378	6,663	6,775	6,877	6,980
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Share of interest in joint ventures	-	-	-	-	-	-	-	-	-	-	-
Total Income	168,001	155,109	128,574	129,803	126,593	129,582	132,545	133,819	137,125	140,540	144,063
Expenses from continuing operations											
Employee benefits and oncosts	37,853	39,489	39,425	40,410	41,420	42,456	43,517	44,605	45,720	46,863	48,035
Borrowing costs	1,404	1,454	1,675	1,472	1,280	1,262	1,072	876	683	480	276
Materials and contracts	39,618	45,633	39,740	40,713	41,710	42,732	43,780	44,854	45,955	47,083	48,239
Depreciation and amortisation	26,239	26,771	28,568	29,282	30,014	30,765	31,534	32,322	33,130	33,959	34,808
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other expenses	7,872	7,902	8,100	8,302	8,510	8,722	8,940	9,164	9,393	9,628	9,869
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	112,986	121,249	117,507	120,179	122,934	125,937	128,844	131,822	134,882	138,012	141,226
Net Operating Result	55,015	33,860	11,066	9,624	3,659	3,644	3,701	1,998	2,243	2,527	2,837
Net operating result before grants and contributions provided for capital purposes	1,526	(6,589)	(4,348)	(4,448)	(4,513)	(4,731)	(4,677)	(4,665)	(4,533)	(4,350)	(4,143)

Statement of Financial Position - Consolidated

Decline	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Current assets											
Cash and investments	84,231	57,990	36,173	17,297	614	(2,277)	(5,390)	(299)	1,111	7,664	10,581
Receivables	9,852	10,226	8,986	8,924	8,848	9,067	9,085	9,312	9,545	9,558	9,797
Inventories	998	1,131	748	767	786	806	826	846	868	889	912
Other	-	-	-	-	-	-	-	-	-	-	-
Total current assets	95,082	69,347	45,907	26,988	10,248	7,596	4,521	9,860	11,524	18,111	21,289
Non-current assets											
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	37	39	40	41	42	43	44	45	46	47	48
Inventories	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	1,280,325	1,393,789	1,464,122	1,527,539	1,583,959	1,638,271	1,690,583	1,734,353	1,783,120	1,828,368	1,879,143
Investment property	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Joint venture investments	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	1,280,362	1,393,827	1,464,162	1,527,579	1,584,001	1,638,314	1,690,627	1,734,398	1,783,166	1,828,415	1,879,191
Total Assets	1,375,443	1,463,174	1,510,069	1,554,567	1,594,249	1,645,910	1,695,148	1,744,257	1,794,690	1,846,526	1,900,481
Current liabilities											
Payables	7,546	8,077	7,031	7,204	7,386	7,570	7,760	7,953	8,152	8,356	8,565
Income received in advance	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276
Borrowings	4,510	4,813	4,497	4,689	3,574	4,042	3,706	3,899	4,082	3,608	336
Provisions	5,593	8,669	8,705	9,067	9,441	9,677	9,919	10,167	10,421	10,681	10,948
Total current liabilities	18,925	22,836	21,509	22,236	21,677	22,565	22,660	23,295	23,932	23,921	21,125
Non-current liabilities											
Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	28,419	31,405	26,908	22,218	18,643	17,823	14,117	10,218	6,135	2,526	2,196
Provisions	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022
Total non-current liabilities	35,441	38,427	33,930	29,240	25,665	24,845	21,139	17,240	13,157	9,548	9,218
Total Liabilities	54,366	61,263	55,439	51,476	47,342	47,409	43,799	40,535	37,089	33,469	30,343
NET ASSETS	1,321,077	1,401,911	1,454,630	1,503,091	1,546,907	1,598,500	1,651,349	1,703,723	1,757,601	1,813,056	1,870,137
Equity											
Accumulated surplus	700,995	733,671	749,701	760,182	764,881	776,140	787,477	797,162	807,258	817,703	828,665
Revaluation reserves	620,082	668,240	704,929	742,909	782,026	822,360	863,871	906,561	950,343	995,354	1,041,472
TOTAL EQUITY	1,321,077	1,401,911	1,454,630	1,503,091	1,546,907	1,598,500	1,651,349	1,703,723	1,757,601	1,813,056	1,870,137

Statement of Cash Flows - Consolidated

Decline	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Cash flows from operating activities											
<i>Receipts:</i>											
Rates and annual charges	56,418	58,174	59,577	61,067	62,594	64,158	65,762	67,406	69,092	70,819	72,589
User charges and fees	31,640	21,405	23,264	22,636	23,215	23,498	24,292	24,691	25,308	26,166	26,595
Investment revenue and interest	333	625	870	635	447	283	220	112	128	186	269
Grants and contributions	79,550	62,590	43,063	42,412	37,220	38,149	38,897	37,945	38,839	39,742	40,667
Other	4,067	2,967	3,040	3,116	3,194	3,274	3,356	3,440	3,526	3,614	3,704
<i>Payments:</i>											
Employee benefits and on-costs	(37,854)	(39,489)	(39,461)	(40,772)	(41,795)	(42,692)	(43,759)	(44,853)	(45,975)	(47,124)	(48,302)
Materials and contracts	(40,859)	(45,607)	(40,403)	(40,559)	(41,548)	(42,568)	(43,611)	(44,681)	(45,777)	(46,901)	(48,053)
Borrowing costs	(1,404)	(1,454)	(1,675)	(1,472)	(1,280)	(1,262)	(1,072)	(876)	(683)	(480)	(276)
Other	(7,872)	(7,903)	(8,100)	(8,302)	(8,510)	(8,722)	(8,940)	(9,164)	(9,393)	(9,628)	(9,869)
Net cash provided (or used) in operating activities	84,019	51,308	40,176	38,762	33,539	34,119	35,145	34,019	35,065	36,395	37,326
Cash flows from investing activities											
<i>Receipts:</i>											
Sale of investments	-	-	-	-	-	-	-	-	-	-	-
Sale of real estate assets	-	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>											
Purchase of investments	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(90,117)	(80,841)	(57,179)	(53,142)	(45,533)	(36,658)	(34,217)	(25,222)	(29,756)	(25,761)	(30,802)
Other	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used) in investing activities	(90,117)	(80,841)	(57,179)	(53,142)	(45,533)	(36,658)	(34,217)	(25,222)	(29,756)	(25,761)	(30,802)
Cash flows from financing activities											
<i>Receipts:</i>											
New loans	8,930	7,800	-	-	-	3,500	-	-	-	-	-
<i>Payments:</i>											
Loan repayments	(3,790)	(4,509)	(4,813)	(4,497)	(4,689)	(3,852)	(4,042)	(3,706)	(3,899)	(4,082)	(3,608)
Net cash provided (or used) in financing activities	5,140	3,291	(4,813)	(4,497)	(4,689)	(352)	(4,042)	(3,706)	(3,899)	(4,082)	(3,608)
Net increase / (decrease) in cash	(958)	(26,242)	(21,817)	(18,877)	(16,683)	(2,891)	(3,114)	5,091	1,410	6,552	2,917
Cash at the beginning of the year	85,190	84,232	57,990	36,173	17,297	614	(2,277)	(5,390)	(299)	1,111	7,664
Cash at the end of the year	84,232	57,990	36,173	17,297	614	(2,277)	(5,390)	(299)	1,111	7,664	10,581

Scenario 2 Financial Statements - Maintain

Income Statement - Consolidated

Maintain	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Income from continuing operations											
Rates and annual charges	56,398	58,223	68,699	70,416	72,177	73,981	75,831	77,726	79,670	81,661	83,703
User charges and fees	20,463	21,388	21,923	22,471	23,033	23,608	24,199	24,804	25,424	26,059	26,711
Interest and investment revenue	333	625	870	734	588	432	383	347	362	456	602
Other revenues	4,066	2,963	3,039	3,115	3,193	3,273	3,355	3,439	3,525	3,613	3,703
Grants and contributions - Operating	33,252	31,462	27,649	28,340	29,048	29,774	30,519	31,282	32,064	32,865	33,687
Grants and contributions - Capital	53,489	40,448	15,414	14,072	8,172	8,375	8,378	6,663	6,775	6,877	6,980
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Share of interest in joint ventures	-	-	-	-	-	-	-	-	-	-	-
Total Income	168,001	155,109	137,594	139,148	136,211	139,444	142,664	144,260	147,820	151,532	155,386
Expenses from continuing operations											
Employee benefits and oncosts	37,853	39,489	39,425	40,410	41,420	42,456	43,517	44,605	45,720	46,863	48,035
Borrowing costs	1,404	1,454	3,375	3,570	3,311	3,222	3,458	3,169	3,178	2,862	2,540
Materials and contracts	39,618	45,633	41,424	43,493	43,250	43,872	44,816	46,169	46,956	48,090	48,988
Depreciation and amortisation	26,239	26,771	28,568	29,282	30,014	30,765	31,534	32,322	33,130	33,959	34,808
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other expenses	7,872	7,902	8,100	8,302	8,510	8,722	8,940	9,164	9,393	9,628	9,869
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	112,986	121,249	120,891	125,058	126,505	129,037	132,265	135,429	138,377	141,402	144,240
Net Operating Result	55,015	33,860	16,703	14,090	9,705	10,406	10,399	8,832	9,443	10,131	11,147
Net operating result before grants and contributions provided for capital purposes	1,526	(6,588)	1,289	18	1,534	2,031	2,021	2,169	2,667	3,254	4,166

Statement of Financial Position - Consolidated

Maintain	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Current assets											
Cash and investments	84,231	57,990	41,869	26,462	16,681	13,312	11,334	11,911	16,821	23,829	29,935
Receivables	9,852	10,226	8,986	8,924	8,848	9,067	9,085	9,312	9,545	9,558	9,797
Inventories	998	1,131	748	767	786	806	826	846	868	889	912
Other	-	-	-	-	-	-	-	-	-	-	-
Total current assets	95,082	69,347	51,603	36,153	26,315	23,185	21,245	22,070	27,233	34,276	40,644
Non-current assets											
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	37	39	40	41	42	43	44	45	46	47	48
Inventories	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	1,280,325	1,393,789	1,464,122	1,527,539	1,583,959	1,638,271	1,690,583	1,734,353	1,783,120	1,828,368	1,879,143
Investment property	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Joint venture investments	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	1,280,362	1,393,827	1,464,162	1,527,579	1,584,001	1,638,314	1,690,627	1,734,398	1,783,166	1,828,415	1,879,191
Total Assets	1,375,443	1,463,174	1,515,764	1,563,732	1,610,316	1,661,499	1,711,872	1,756,467	1,810,399	1,862,691	1,919,835
Current liabilities											
Payables	7,546	8,077	7,031	7,204	7,386	7,570	7,760	7,953	8,152	8,356	8,565
Income received in advance	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276
Borrowings	4,510	4,813	5,848	6,108	5,064	5,909	5,667	6,139	6,435	6,078	2,929
Provisions	5,593	8,669	8,705	9,067	9,441	9,677	9,919	10,167	10,421	10,681	10,948
Total current liabilities	18,925	22,836	22,861	23,655	23,167	24,432	24,621	25,535	26,284	26,391	23,719
Non-current liabilities											
Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	28,419	31,405	58,528	61,419	56,354	53,666	58,000	51,860	51,426	45,347	42,424
Provisions	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022
Total non-current liabilities	35,441	38,427	65,550	68,441	63,376	60,688	65,022	58,882	58,448	52,369	49,446
Total Liabilities	54,366	61,263	88,411	92,096	86,543	85,120	89,643	84,418	84,732	78,760	73,164
NET ASSETS	1,321,077	1,401,911	1,427,353	1,471,636	1,523,773	1,576,378	1,622,229	1,672,050	1,725,667	1,783,931	1,846,671
Equity											
Accumulated surplus	700,995	733,671	789,481	790,127	797,332	803,635	801,837	802,631	805,887	812,467	822,130
Revaluation reserves	620,082	668,240	637,872	681,509	726,441	772,743	820,392	869,418	919,780	971,464	1,024,541
TOTAL EQUITY	1,321,077	1,401,911	1,427,353	1,471,636	1,523,773	1,576,378	1,622,229	1,672,050	1,725,667	1,783,931	1,846,671

Statement of Cash Flows - Consolidated

Maintain	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Cash flows from operating activities											
<i>Receipts:</i>											
Rates and annual charges	56,418	58,167	67,831	70,290	72,047	73,848	75,694	77,587	79,526	81,515	83,552
User charges and fees	31,640	21,412	21,855	22,681	23,263	23,469	24,316	24,662	25,278	26,194	26,565
Investment revenue and interest	333	625	870	734	588	432	383	347	362	456	602
Grants and contributions	79,550	62,590	43,063	42,412	37,220	38,149	38,897	37,945	38,839	39,742	40,667
Other	4,067	2,967	3,043	3,117	3,194	3,274	3,356	3,440	3,526	3,614	3,705
<i>Payments:</i>											
Employee benefits and on-costs	(37,854)	(39,489)	(39,461)	(40,772)	(41,795)	(42,692)	(43,759)	(44,853)	(45,975)	(47,124)	(48,302)
Materials and contracts	(40,859)	(45,607)	(42,087)	(43,339)	(43,088)	(43,708)	(44,647)	(45,996)	(46,778)	(47,908)	(48,802)
Borrowing costs	(1,404)	(1,454)	(3,375)	(3,570)	(3,311)	(3,222)	(3,458)	(3,169)	(3,178)	(2,862)	(2,540)
Other	(7,872)	(7,903)	(8,100)	(8,302)	(8,510)	(8,722)	(8,940)	(9,164)	(9,393)	(9,628)	(9,869)
Net cash provided (or used) in operating activities	84,019	51,308	43,640	43,250	39,610	40,828	41,843	40,799	42,209	44,000	45,579
Cash flows from investing activities											
<i>Receipts:</i>											
Sale of investments	-	-	-	-	-	-	-	-	-	-	-
Sale of real estate assets	-	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>											
Purchase of investments	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(90,117)	(80,841)	(87,920)	(61,808)	(43,282)	(42,354)	(47,913)	(34,555)	(37,160)	(30,557)	(33,395)
Other	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used) in investing activities	(90,117)	(80,841)	(87,920)	(61,808)	(43,282)	(42,354)	(47,913)	(34,555)	(37,160)	(30,557)	(33,395)
Cash flows from financing activities											
<i>Receipts:</i>											
New loans	8,930	7,800	34,000	9,000	-	3,500	10,000	-	6,000	-	-
<i>Payments:</i>											
Loan repayments	(3,790)	(4,509)	(5,842)	(5,848)	(6,108)	(5,342)	(5,909)	(5,667)	(6,139)	(6,435)	(6,078)
Net cash provided (or used) in financing activities	5,140	3,291	28,158	3,152	(6,108)	(1,842)	4,091	(5,667)	(139)	(6,435)	(6,078)
Net increase / (decrease) in cash	(958)	(26,242)	(16,122)	(15,407)	(9,781)	(3,369)	(1,979)	577	4,910	7,008	6,106
Cash at the beginning of the year	85,190	84,232	57,990	41,869	26,462	16,681	13,312	11,334	11,911	16,821	23,829
Cash at the end of the year	84,232	57,990	41,869	26,462	16,681	13,312	11,334	11,911	16,821	23,829	29,935

Scenario 3 Financial Statements - Improve

Income Statement - Consolidated

Improve	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Income from continuing operations											
Rates and annual charges	56,398	58,223	69,987	71,737	73,530	75,369	77,253	79,184	81,164	83,193	85,273
User charges and fees	20,463	21,388	21,923	22,471	23,033	23,608	24,199	24,804	25,424	26,059	26,711
Interest and investment revenue	333	625	1,130	1,038	879	726	679	637	654	746	876
Other revenues	4,066	2,962	3,039	3,115	3,193	3,273	3,355	3,439	3,525	3,613	3,703
Grants and contributions - Operating	33,252	31,462	27,649	28,340	29,048	29,774	30,519	31,282	32,064	32,865	33,687
Grants and contributions - Capital	53,489	40,449	15,414	14,042	8,111	8,284	8,256	6,508	6,589	6,657	6,727
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Share of interest in joint ventures	-	-	-	-	-	-	-	-	-	-	-
Total Income	168,001	155,109	139,142	140,743	137,795	141,035	144,260	145,854	149,419	153,133	156,977
Expenses from continuing operations											
Employee benefits and oncosts	37,853	39,489	39,425	40,410	41,420	42,456	43,517	44,605	45,720	46,863	48,035
Borrowing costs	1,404	1,454	3,375	3,570	3,311	3,222	3,458	3,169	3,178	2,862	2,540
Materials and contracts	39,618	45,633	41,604	43,795	43,560	44,189	45,141	46,502	47,298	48,439	49,337
Depreciation and amortisation	26,239	26,771	27,379	28,063	28,765	29,484	30,221	30,977	31,752	32,546	33,359
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other expenses	7,872	7,902	8,100	8,302	8,510	8,722	8,940	9,164	9,393	9,628	9,869
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	112,986	121,249	119,882	124,141	125,565	128,074	131,278	134,417	137,340	140,338	143,140
Net Operating Result	55,015	33,860	19,260	16,603	12,230	12,961	12,982	11,437	12,079	12,796	13,837
Net operating result before grants and contributions provided for capital purposes	1,526	(6,589)	3,846	2,561	4,119	4,677	4,726	4,929	5,490	6,138	7,110

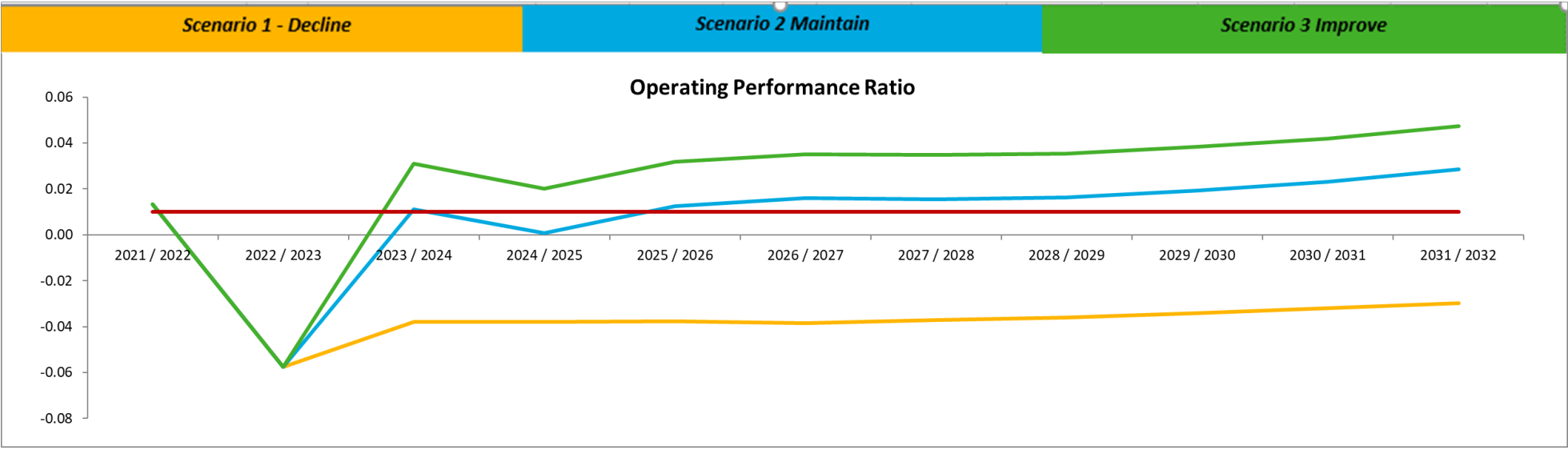
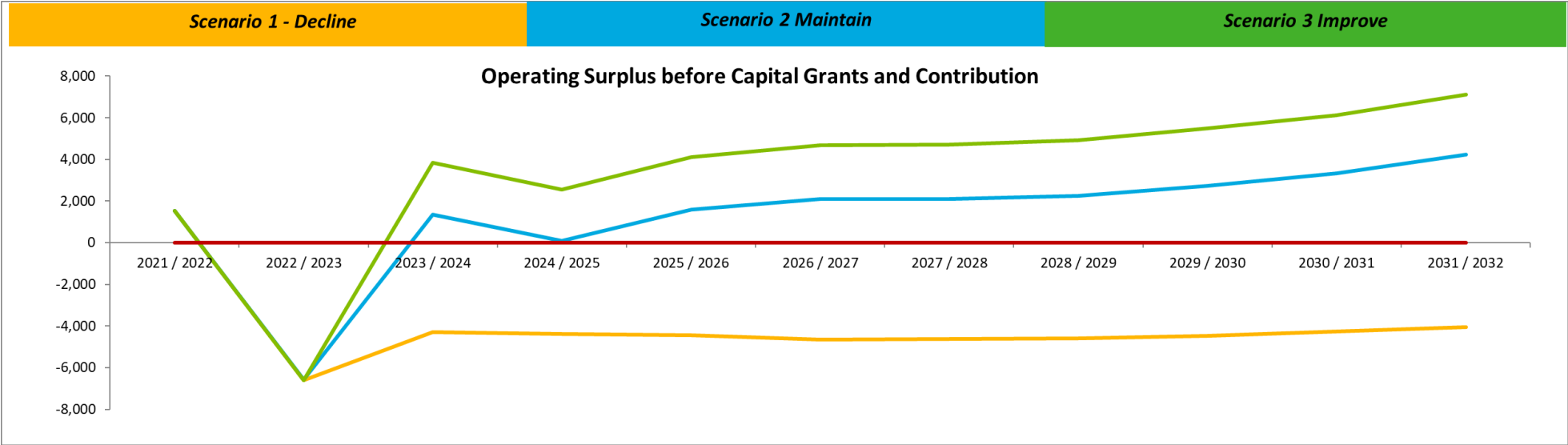
Statement of Financial Position - Consolidated

Improve	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Current assets											
Cash and investments	84,231	57,990	41,950	26,819	17,267	14,088	12,277	12,976	17,976	25,048	31,171
Receivables	9,852	10,226	11,471	11,385	11,281	11,561	11,579	11,869	12,165	12,177	12,481
Inventories	998	1,131	748	769	788	808	828	849	870	891	914
Other	-	-	-	-	-	-	-	-	-	-	-
Total current assets	95,082	69,347	54,170	38,972	29,335	26,457	24,684	25,693	31,011	38,117	44,566
Non-current assets											
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	37	39	43	44	45	46	47	49	50	51	52
Inventories	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	1,280,325	1,393,789	1,523,557	1,604,401	1,667,221	1,729,627	1,798,120	1,853,796	1,912,635	1,965,441	2,021,671
Investment property	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Joint venture investments	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	1,280,362	1,393,827	1,523,600	1,604,445	1,667,266	1,729,673	1,798,167	1,853,845	1,912,685	1,965,492	2,021,724
Total Assets	1,375,443	1,463,174	1,577,769	1,643,417	1,696,601	1,756,130	1,822,851	1,879,538	1,943,695	2,003,609	2,066,289
Current liabilities											
Payables	7,546	8,077	7,055	7,234	7,416	7,601	7,791	7,986	8,186	8,390	8,600
Income received in advance	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276
Borrowings	4,510	4,813	5,848	6,108	5,064	5,909	5,667	6,139	6,435	6,078	2,929
Provisions	5,593	8,669	8,705	9,067	9,441	9,677	9,919	10,167	10,421	10,681	10,948
Total current liabilities	18,925	22,836	22,885	23,685	23,197	24,463	24,653	25,568	26,317	26,425	23,754
Non-current liabilities											
Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	28,419	31,405	58,528	61,419	56,354	53,666	58,000	51,860	51,426	45,347	42,424
Provisions	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022
Total non-current liabilities	35,441	38,427	65,550	68,441	63,376	60,688	65,022	58,882	58,448	52,369	49,446
Total Liabilities	54,366	61,263	88,435	92,125	86,573	85,152	89,675	84,450	84,765	78,795	73,199
NET ASSETS	1,321,077	1,401,911	1,489,334	1,551,292	1,610,028	1,670,978	1,733,176	1,795,087	1,858,930	1,924,814	1,993,090
Equity											
Accumulated surplus	700,995	733,671	851,433	869,678	883,380	897,897	912,284	924,976	938,231	952,171	967,072
Revaluation reserves	620,082	668,240	637,902	681,614	726,648	773,082	820,892	870,111	920,699	972,644	1,026,018
TOTAL EQUITY	1,321,077	1,401,911	1,489,334	1,551,292	1,610,028	1,670,978	1,733,176	1,795,087	1,858,930	1,924,814	1,993,090

Statement of Cash Flows - Consolidated

Improve	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Cash flows from operating activities											
<i>Receipts:</i>											
Rates and annual charges	56,418	58,174	69,015	71,612	73,402	75,237	77,118	79,046	81,022	83,048	85,124
User charges and fees	31,640	21,405	21,650	22,683	23,265	23,460	24,315	24,653	25,269	26,193	26,555
Investment revenue and interest	333	625	1,130	1,038	879	726	679	637	654	746	876
Grants and contributions	79,550	62,590	43,063	42,382	37,160	38,058	38,774	37,790	38,652	39,523	40,414
Other	4,067	2,967	3,044	3,117	3,194	3,274	3,356	3,440	3,526	3,614	3,705
<i>Payments:</i>											
Employee benefits and on-costs	(37,854)	(39,489)	(39,461)	(40,772)	(41,795)	(42,692)	(43,759)	(44,853)	(45,975)	(47,124)	(48,302)
Materials and contracts	(40,859)	(45,607)	(42,244)	(43,637)	(43,397)	(44,024)	(44,971)	(46,328)	(47,119)	(48,256)	(49,150)
Borrowing costs	(1,404)	(1,454)	(3,375)	(3,570)	(3,311)	(3,222)	(3,458)	(3,169)	(3,178)	(2,862)	(2,540)
Other	(7,872)	(7,903)	(8,100)	(8,302)	(8,510)	(8,722)	(8,940)	(9,164)	(9,393)	(9,628)	(9,869)
Net cash provided (or used) in operating activities	84,019	51,308	44,722	44,550	40,889	42,095	43,114	42,052	43,460	45,253	46,814
Cash flows from investing activities											
<i>Receipts:</i>											
Sale of investments	-	-	-	-	-	-	-	-	-	-	-
Sale of real estate assets	-	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>											
Purchase of investments	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(90,117)	(80,841)	(88,920)	(62,833)	(44,333)	(43,431)	(49,016)	(35,686)	(38,320)	(31,746)	(34,614)
Other	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used) in investing activities	(90,117)	(80,841)	(88,920)	(62,833)	(44,333)	(43,431)	(49,016)	(35,686)	(38,320)	(31,746)	(34,614)
Cash flows from financing activities											
<i>Receipts:</i>											
New loans	8,930	7,800	34,000	9,000	-	3,500	10,000	-	6,000	-	-
<i>Payments:</i>											
Loan repayments	(3,790)	(4,509)	(5,842)	(5,848)	(6,108)	(5,342)	(5,909)	(5,667)	(6,139)	(6,435)	(6,078)
Net cash provided (or used) in financing activities	5,140	3,291	28,158	3,152	(6,108)	(1,842)	4,091	(5,667)	(139)	(6,435)	(6,078)
Net increase / (decrease) in cash	(958)	(26,242)	(16,040)	(15,132)	(9,552)	(3,179)	(1,811)	699	5,000	7,073	6,122
Cash at the beginning of the year	85,190	84,232	57,990	41,950	26,819	17,267	14,088	12,277	12,976	17,976	25,048
Cash at the end of the year	84,232	57,990	41,950	26,819	17,267	14,088	12,277	12,976	17,976	25,048	31,171

CONSOLIDATED



GENERAL FUND

Scenario 1 Financial Statements

Income Statement - General Fund

Decline	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Income from continuing operations											
Rates and annual charges	25,756	26,336	26,994	27,669	28,361	29,070	29,797	30,542	31,305	32,088	32,890
User charges and fees	6,842	7,465	7,652	7,843	8,039	8,240	8,446	8,657	8,874	9,095	9,323
Interest and investment revenue	169	400	163	74	-	-	-	-	-	-	69
Other revenues	3,916	2,760	2,829	2,900	2,972	3,047	3,123	3,201	3,281	3,363	3,447
Grants and contributions - Operating	32,815	31,184	27,367	28,051	28,752	29,471	30,208	30,963	31,737	32,530	33,344
Grants and contributions - Capital	41,937	24,010	2,000	2,030	2,060	2,091	2,123	2,155	2,187	2,220	2,253
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Share of interest in joint ventures	-	-	-	-	-	-	-	-	-	-	-
Total Income	111,435	92,155	67,005	68,567	70,185	71,919	73,696	75,517	77,383	79,296	81,325
Expenses from continuing operations											
Employee benefits and oncosts	27,965	28,422	28,081	28,783	29,502	30,240	30,996	31,771	32,565	33,379	34,214
Borrowing costs	403	523	506	408	328	254	203	155	119	81	41
Materials and contracts	20,455	23,173	15,332	15,715	16,108	16,511	16,924	17,347	17,781	18,225	18,681
Depreciation and amortisation	17,972	18,331	20,057	20,559	21,073	21,599	22,139	22,693	23,260	23,842	24,438
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other expenses	6,513	7,151	7,330	7,513	7,701	7,893	8,091	8,293	8,500	8,713	8,931
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	73,308	77,600	71,306	72,978	74,712	76,498	78,353	80,259	82,225	84,240	86,304
Net Operating Result	38,127	14,555	(4,301)	(4,412)	(4,528)	(4,579)	(4,658)	(4,742)	(4,842)	(4,944)	(4,978)
Net operating result before grants and contributions provided for capital purposes	(3,810)	(9,455)	(6,301)	(6,442)	(6,588)	(6,670)	(6,780)	(6,897)	(7,029)	(7,163)	(7,231)

Statement of Financial Position - General Fund

Decline	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Current assets											
Cash and investments	29,506	10,141	3,421	(3,645)	(10,907)	(10,181)	(8,175)	(4,214)	(6,423)	(798)	(1,345)
Receivables	9,257	9,599	8,353	8,270	8,178	8,382	8,382	8,592	8,806	8,801	9,021
Inventories	998	1,131	748	767	786	806	826	846	868	889	912
Other	-	-	-	-	-	-	-	-	-	-	-
Total current assets	39,762	20,871	12,522	5,392	(1,943)	(993)	1,033	5,224	3,251	8,892	8,588
Non-current assets											
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	10	11	11	11	12	12	12	13	13	13	14
Inventories	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	902,404	963,259	989,864	1,013,925	1,038,945	1,064,123	1,088,898	1,112,729	1,143,430	1,167,241	1,197,808
Investment property	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Joint venture investments	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	902,415	963,270	989,875	1,013,937	1,038,957	1,064,135	1,088,910	1,112,741	1,143,443	1,167,255	1,197,822
Total Assets	942,177	984,140	1,002,397	1,019,329	1,037,013	1,063,142	1,089,943	1,117,965	1,146,694	1,176,146	1,206,410
Current liabilities											
Payables	7,294	7,800	6,737	6,906	7,078	7,255	7,437	7,623	7,813	8,009	8,209
Income received in advance	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276
Borrowings	3,369	2,948	2,526	2,606	1,373	1,423	940	977	1,015	1,054	-
Provisions	5,593	8,669	8,705	9,067	9,441	9,677	9,919	10,167	10,421	10,681	10,948
Total current liabilities	17,532	20,693	19,244	19,855	19,168	19,632	19,572	20,042	20,525	21,020	20,433
Non-current liabilities											
Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	14,862	11,913	9,387	6,779	5,406	3,982	3,042	2,065	1,050	(6)	(0)
Provisions	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022
Total non-current liabilities	21,884	18,935	16,409	13,801	12,428	11,004	10,064	9,087	8,072	7,016	7,022
Total Liabilities	39,416	39,628	35,653	33,656	31,596	30,636	29,635	29,129	28,597	28,037	27,455
NET ASSETS	902,761	944,512	966,744	985,673	1,005,417	1,032,506	1,060,308	1,088,836	1,118,097	1,148,110	1,178,954
Equity											
Accumulated surplus	469,551	479,719	477,869	472,051	466,447	467,562	468,761	470,067	471,510	472,936	474,600
Revaluation reserves	433,210	464,794	488,875	513,622	538,970	564,944	591,547	618,769	646,587	675,173	704,354
TOTAL EQUITY	902,761	944,512	966,744	985,673	1,005,417	1,032,506	1,060,308	1,088,836	1,118,097	1,148,110	1,178,954

Statement of Cash Flows - General Fund

Decline	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Cash flows from operating activities											
<i>Receipts:</i>											
Rates and annual charges	25,756	26,336	26,939	27,612	28,303	29,010	29,735	30,479	31,241	32,022	32,822
User charges and fees	16,824	7,465	8,953	7,983	8,190	8,095	8,507	8,511	8,723	9,167	9,171
Investment revenue and interest	169	400	163	74	-	-	-	-	-	-	69
Grants and contributions	67,603	46,551	29,367	30,081	30,812	31,562	32,330	33,117	33,924	34,750	35,597
Other	3,917	2,760	2,829	2,900	2,973	3,047	3,123	3,201	3,281	3,363	3,447
<i>Payments:</i>											
Employee benefits and on-costs	(27,966)	(28,422)	(28,117)	(29,144)	(29,877)	(30,476)	(31,238)	(32,019)	(32,819)	(33,640)	(34,481)
Materials and contracts	(20,455)	(23,172)	(16,012)	(15,566)	(15,955)	(16,354)	(16,763)	(17,182)	(17,611)	(18,051)	(18,503)
Borrowing costs	(403)	(523)	(506)	(408)	(328)	(254)	(203)	(155)	(119)	(81)	(41)
Other	(6,513)	(7,152)	(7,330)	(7,513)	(7,701)	(7,893)	(8,091)	(8,293)	(8,500)	(8,713)	(8,931)
Net cash provided (or used) in operating activities	58,932	24,243	16,286	16,018	16,417	16,737	17,401	17,659	18,119	18,817	19,151
Cash flows from investing activities											
<i>Receipts:</i>											
Sale of investments	-	-	-	-	-	-	-	-	-	-	-
Sale of real estate assets	-	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>											
Purchase of investments	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(59,444)	(40,241)	(20,057)	(20,559)	(21,073)	(14,638)	(13,972)	(12,758)	(19,351)	(12,178)	(18,642)
Other	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used) in investing activities	(59,444)	(40,241)	(20,057)	(20,559)	(21,073)	(14,638)	(13,972)	(12,758)	(19,351)	(12,178)	(18,642)
Cash flows from financing activities											
<i>Receipts:</i>											
New loans	8,930	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>											
Loan repayments	(2,719)	(3,368)	(2,948)	(2,526)	(2,606)	(1,373)	(1,423)	(940)	(977)	(1,015)	(1,054)
Net cash provided (or used) in financing activities	6,211	(3,368)	(2,948)	(2,526)	(2,606)	(1,373)	(1,423)	(940)	(977)	(1,015)	(1,054)
Net increase / (decrease) in cash	5,699	(19,365)	(6,720)	(7,066)	(7,262)	726	2,006	3,960	(2,209)	5,624	(546)
Cash at the beginning of the year	23,807	29,506	10,141	3,421	(3,645)	(10,907)	(10,181)	(8,175)	(4,214)	(6,423)	(798)
Cash at the end of the year	29,506	10,141	3,421	(3,645)	(10,907)	(10,181)	(8,175)	(4,214)	(6,423)	(798)	(1,345)

Scenario 2 Financial Statements

Income Statement - General Fund

Maintain	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Income from continuing operations											
Rates and annual charges	25,756	26,336	36,015	36,915	37,838	38,784	39,753	40,747	41,766	42,810	43,880
User charges and fees	6,842	7,465	7,652	7,843	8,039	8,240	8,446	8,657	8,874	9,095	9,323
Interest and investment revenue	169	400	163	174	141	149	163	235	234	270	402
Other revenues	3,916	2,760	2,829	2,900	2,972	3,047	3,123	3,201	3,281	3,363	3,447
Grants and contributions - Operating	32,815	31,184	27,367	28,051	28,752	29,471	30,208	30,963	31,737	32,530	33,344
Grants and contributions - Capital	41,937	24,009	2,000	2,030	2,060	2,091	2,123	2,155	2,187	2,220	2,253
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Share of interest in joint ventures	-	-	-	-	-	-	-	-	-	-	-
Total Income	111,435	92,154	76,025	77,912	79,802	81,781	83,815	85,958	88,078	90,288	92,649
Expenses from continuing operations											
Employee benefits and oncosts	27,965	28,422	28,081	28,783	29,502	30,240	30,996	31,771	32,565	33,379	34,214
Borrowing costs	403	523	2,206	2,507	2,359	2,214	2,589	2,448	2,613	2,463	2,306
Materials and contracts	20,455	23,173	17,016	18,495	17,648	17,651	17,960	18,662	18,782	19,232	19,430
Depreciation and amortisation	17,972	18,331	20,057	20,559	21,073	21,599	22,139	22,693	23,260	23,842	24,438
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other expenses	6,513	7,151	7,330	7,513	7,701	7,893	8,091	8,293	8,500	8,713	8,931
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	73,308	77,600	74,690	77,857	78,283	79,598	81,775	83,866	85,720	87,629	89,317
Net Operating Result	38,127	14,554	1,335	55	1,519	2,183	2,040	2,092	2,358	2,660	3,331
Net operating result before grants and contributions provided for capital purposes	(3,810)	(9,455)	(665)	(1,975)	(542)	92	(82)	(63)	171	440	1,078

Statement of Financial Position - General Fund

Maintain	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Current assets											
Cash and investments	29,506	10,141	9,116	5,520	5,160	5,409	8,549	7,996	9,286	15,367	18,010
Receivables	9,257	9,599	8,353	8,270	8,178	8,382	8,382	8,592	8,806	8,801	9,021
Inventories	998	1,131	748	767	786	806	826	846	868	889	912
Other	-	-	-	-	-	-	-	-	-	-	-
Total current assets	39,762	20,871	18,218	14,557	14,124	14,596	17,757	17,434	18,960	25,057	27,942
Non-current assets											
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	10	11	11	11	12	12	12	13	13	13	14
Inventories	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	902,404	963,259	989,864	1,013,925	1,038,945	1,064,123	1,088,898	1,112,729	1,143,430	1,167,241	1,197,808
Investment property	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Joint venture investments	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	902,415	963,270	989,875	1,013,937	1,038,957	1,064,135	1,088,910	1,112,741	1,143,443	1,167,255	1,197,822
Total Assets	942,177	984,140	1,008,093	1,028,494	1,053,080	1,078,731	1,106,667	1,130,175	1,162,403	1,192,312	1,225,764
Current liabilities											
Payables	7,294	7,800	6,737	6,906	7,078	7,255	7,437	7,623	7,813	8,009	8,209
Income received in advance	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276
Borrowings	3,369	2,948	3,878	4,026	2,863	3,291	2,901	3,217	3,367	3,524	2,593
Provisions	5,593	8,669	8,705	9,067	9,441	9,677	9,919	10,167	10,421	10,681	10,948
Total current liabilities	17,532	20,693	20,596	21,274	20,659	21,499	21,532	22,282	22,877	23,490	23,027
Non-current liabilities											
Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	14,862	11,913	41,007	45,980	43,116	39,826	46,925	43,708	46,341	42,816	40,228
Provisions	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022
Total non-current liabilities	21,884	18,935	48,029	53,002	50,138	46,848	53,947	50,730	53,363	49,838	47,250
Total Liabilities	39,416	39,628	68,625	74,276	70,797	68,347	75,479	73,012	76,240	73,328	70,276
NET ASSETS	902,761	944,512	939,468	954,218	982,283	1,010,384	1,031,188	1,057,163	1,086,163	1,118,984	1,155,488
Equity											
Accumulated surplus	469,551	479,719	450,592	440,596	443,313	445,440	439,641	438,394	439,576	443,811	451,134
Revaluation reserves	433,210	464,794	488,875	513,622	538,970	564,944	591,547	618,769	646,587	675,173	704,354
TOTAL EQUITY	902,761	944,512	939,468	954,218	982,283	1,010,384	1,031,188	1,057,163	1,086,163	1,118,984	1,155,488

Statement of Cash Flows - General Fund

Maintain	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Cash flows from operating activities											
<i>Receipts:</i>											
Rates and annual charges	25,756	26,336	35,196	36,839	37,760	38,704	39,671	40,663	41,680	42,722	43,790
User charges and fees	16,824	7,465	7,541	8,024	8,234	8,062	8,528	8,477	8,689	9,191	9,136
Investment revenue and interest	169	400	163	174	141	149	163	235	234	270	402
Grants and contributions	67,603	46,551	29,367	30,081	30,812	31,562	32,330	33,117	33,924	34,750	35,597
Other	3,917	2,760	2,832	2,900	2,973	3,047	3,123	3,201	3,281	3,363	3,447
<i>Payments:</i>											
Employee benefits and on-costs	(27,966)	(28,422)	(28,117)	(29,144)	(29,877)	(30,476)	(31,238)	(32,019)	(32,819)	(33,640)	(34,481)
Materials and contracts	(20,455)	(23,172)	(17,696)	(18,346)	(17,495)	(17,494)	(17,799)	(18,497)	(18,612)	(19,058)	(19,252)
Borrowing costs	(403)	(523)	(2,206)	(2,507)	(2,359)	(2,214)	(2,589)	(2,448)	(2,613)	(2,463)	(2,306)
Other	(6,513)	(7,152)	(7,330)	(7,513)	(7,701)	(7,893)	(8,091)	(8,293)	(8,500)	(8,713)	(8,931)
Net cash provided (or used) in operating activities	58,932	24,243	19,750	20,507	22,488	23,447	24,099	24,438	25,263	26,422	27,403
Cash flows from investing activities											
<i>Receipts:</i>											
Sale of investments	-	-	-	-	-	-	-	-	-	-	-
Sale of real estate assets	-	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>											
Purchase of investments	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(59,444)	(40,241)	(50,798)	(29,225)	(18,822)	(20,335)	(27,668)	(22,091)	(26,756)	(16,974)	(21,236)
Other	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used) in investing activities	(59,444)	(40,241)	(50,798)	(29,225)	(18,822)	(20,335)	(27,668)	(22,091)	(26,756)	(16,974)	(21,236)
Cash flows from financing activities											
<i>Receipts:</i>											
New loans	8,930	-	34,000	9,000	-	-	10,000	-	6,000	-	-
<i>Payments:</i>											
Loan repayments	(2,719)	(3,368)	(3,977)	(3,878)	(4,026)	(2,863)	(3,291)	(2,901)	(3,217)	(3,367)	(3,524)
Net cash provided (or used) in financing activities	6,211	(3,368)	30,023	5,122	(4,026)	(2,863)	6,709	(2,901)	2,783	(3,367)	(3,524)
Net increase / (decrease) in cash	5,699	(19,365)	(1,025)	(3,596)	(360)	249	3,141	(554)	1,290	6,081	2,643
Cash at the beginning of the year	23,807	29,506	10,141	9,116	5,520	5,160	5,409	8,549	7,996	9,286	15,367
Cash at the end of the year	29,506	10,141	9,116	5,520	5,160	5,409	8,549	7,996	9,286	15,367	18,010

Scenario 3 Financial Statements

Income Statement - General Fund

improve	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Income from continuing operations											
Rates and annual charges	25,756	26,336	37,303	38,236	39,192	40,171	41,176	42,205	43,260	44,342	45,450
User charges and fees	6,842	7,465	7,652	7,843	8,039	8,240	8,446	8,657	8,874	9,095	9,323
Interest and investment revenue	169	400	423	478	432	443	459	525	526	559	676
Other revenues	3,916	2,760	2,829	2,900	2,972	3,047	3,123	3,201	3,281	3,363	3,447
Grants and contributions - Operating	32,815	31,184	27,367	28,051	28,752	29,471	30,208	30,963	31,737	32,530	33,344
Grants and contributions - Capital	41,937	24,010	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Share of interest in joint ventures	-	-	-	-	-	-	-	-	-	-	-
Total Income	111,435	92,155	77,573	79,507	81,387	83,372	85,411	87,551	89,678	91,890	94,240
Expenses from continuing operations											
Employee benefits and oncosts	27,965	28,422	28,081	28,783	29,502	30,240	30,996	31,771	32,565	33,379	34,214
Borrowing costs	403	523	2,206	2,507	2,359	2,214	2,589	2,448	2,613	2,463	2,306
Materials and contracts	20,455	23,173	17,196	18,797	17,958	17,968	18,285	18,995	19,124	19,581	19,779
Depreciation and amortisation	17,972	18,331	18,868	19,339	19,823	20,319	20,827	21,348	21,881	22,429	22,989
Impairment	-	-	-	-	-	-	-	-	-	-	-
Other expenses	6,513	7,151	7,330	7,513	7,701	7,893	8,091	8,293	8,500	8,713	8,931
Net loss from the disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	73,308	77,600	73,680	76,940	77,343	78,634	80,787	82,854	84,684	86,565	88,218
Net Operating Result	38,127	14,555	3,893	2,567	4,044	4,737	4,623	4,697	4,994	5,325	6,021
Net operating result before grants and contributions provided for capital purposes	(3,810)	(9,455)	1,893	567	2,044	2,737	2,623	2,697	2,994	3,325	4,021

Statement of Financial Position - General Fund

improve	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Current assets											
Cash and investments	29,506	10,141	9,198	5,877	5,746	6,184	9,492	9,061	10,442	16,586	19,245
Receivables	9,257	9,599	10,838	10,731	10,611	10,876	10,876	11,148	11,427	11,419	11,705
Inventories	998	1,131	748	769	788	808	828	849	870	891	914
Other	-	-	-	-	-	-	-	-	-	-	-
Total current assets	39,762	20,871	20,785	17,376	17,144	17,868	21,196	21,057	22,738	28,897	31,864
Non-current assets											
Investments	-	-	-	-	-	-	-	-	-	-	-
Receivables	10	11	14	15	15	16	16	16	17	17	18
Inventories	-	-	-	-	-	-	-	-	-	-	-
Infrastructure, property, plant and equipment	902,404	963,259	1,049,298	1,090,788	1,122,206	1,155,478	1,196,434	1,232,172	1,272,945	1,304,315	1,340,337
Investment property	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Joint venture investments	-	-	-	-	-	-	-	-	-	-	-
Total non-current assets	902,415	963,270	1,049,313	1,090,803	1,122,222	1,155,494	1,196,450	1,232,189	1,272,962	1,304,332	1,340,354
Total Assets	942,177	984,140	1,070,098	1,108,179	1,139,366	1,173,362	1,217,646	1,253,246	1,295,700	1,333,230	1,372,218
Current liabilities											
Payables	7,294	7,800	6,761	6,935	7,109	7,286	7,469	7,655	7,847	8,043	8,244
Income received in advance	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276	1,276
Borrowings	3,369	2,948	3,878	4,026	2,863	3,291	2,901	3,217	3,367	3,524	2,593
Provisions	5,593	8,669	8,705	9,067	9,441	9,677	9,919	10,167	10,421	10,681	10,948
Total current liabilities	17,532	20,693	20,620	21,304	20,689	21,530	21,564	22,315	22,911	23,525	23,062
Non-current liabilities											
Payables	-	-	-	-	-	-	-	-	-	-	-
Borrowings	14,862	11,913	41,007	45,980	43,116	39,826	46,925	43,708	46,341	42,816	40,228
Provisions	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022	7,022
Total non-current liabilities	21,884	18,935	48,029	53,002	50,138	46,848	53,947	50,730	53,363	49,838	47,250
Total Liabilities	39,416	39,628	68,649	74,306	70,827	68,378	75,511	73,045	76,273	73,362	70,311
NET ASSETS	902,761	944,512	1,001,449	1,033,873	1,068,539	1,104,984	1,142,135	1,180,201	1,219,426	1,259,867	1,301,907
Equity											
Accumulated surplus	469,551	479,719	507,656	510,224	514,267	519,005	523,628	528,325	533,319	538,644	544,665
Revaluation reserves	433,210	464,794	422,180	452,759	484,127	516,307	549,317	583,181	617,919	653,555	690,112
TOTAL EQUITY	902,761	944,512	929,836	962,982	998,395	1,035,311	1,072,946	1,111,506	1,151,239	1,192,199	1,234,777

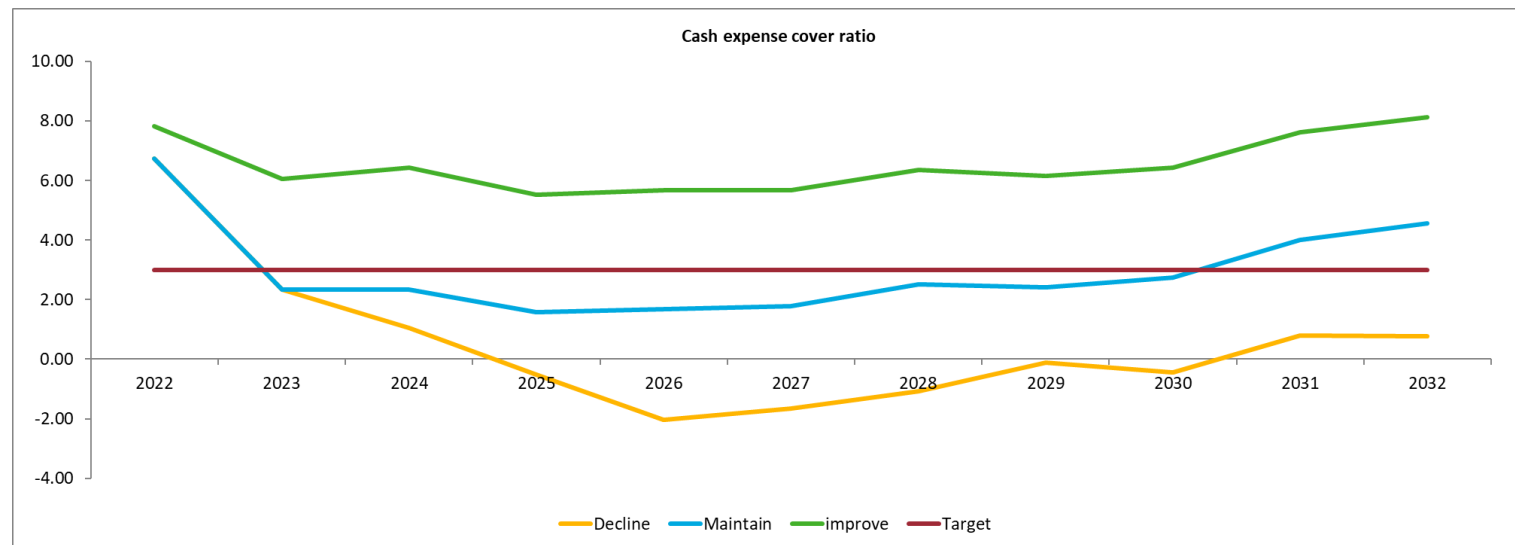
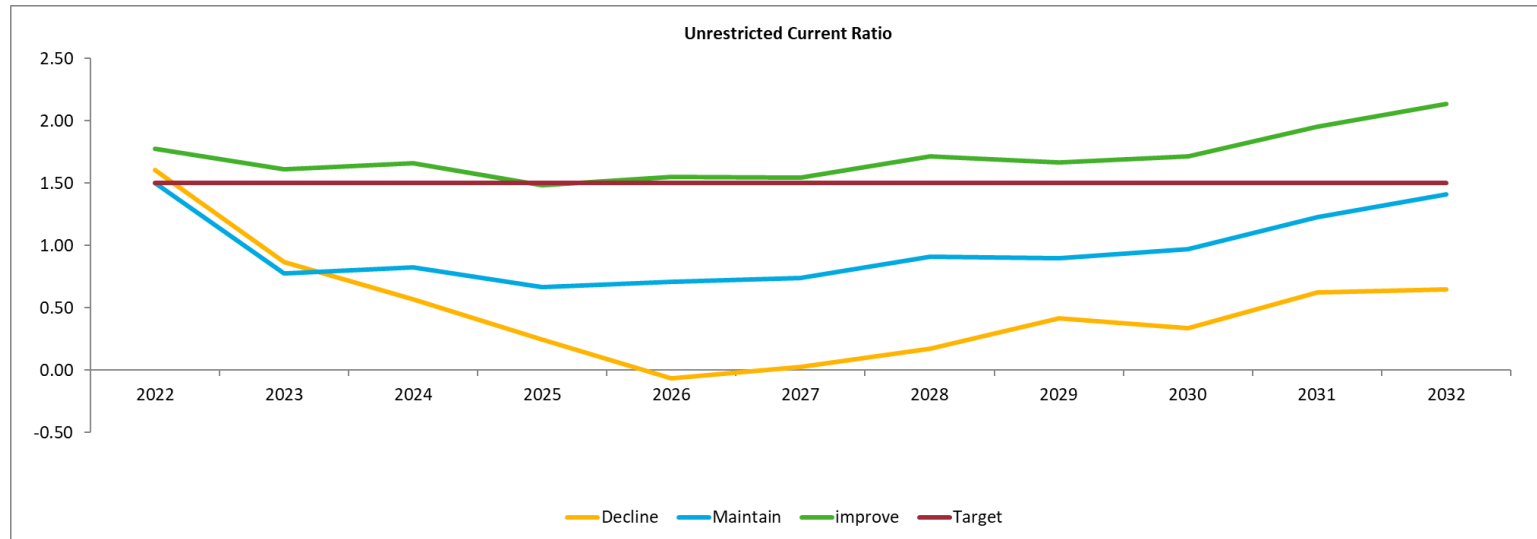
Statement of Cash Flows - General Fund

improve	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Cash flows from operating activities											
<i>Receipts:</i>											
Rates and annual charges	25,756	26,336	36,376	38,157	39,111	40,089	41,091	42,118	43,171	44,250	45,357
User charges and fees	16,824	7,465	7,339	8,030	8,240	8,058	8,531	8,472	8,684	9,194	9,131
Investment revenue and interest	169	400	423	478	432	443	459	525	526	559	676
Grants and contributions	67,603	46,551	29,367	30,051	30,752	31,471	32,208	32,963	33,737	34,530	35,344
Other	3,917	2,760	2,833	2,900	2,973	3,047	3,123	3,201	3,281	3,363	3,447
<i>Payments:</i>											
Employee benefits and on-costs	(27,966)	(28,422)	(28,117)	(29,144)	(29,877)	(30,476)	(31,238)	(32,019)	(32,819)	(33,640)	(34,481)
Materials and contracts	(20,455)	(23,172)	(17,852)	(18,644)	(17,804)	(17,810)	(18,123)	(18,829)	(18,953)	(19,407)	(19,600)
Borrowing costs	(403)	(523)	(2,206)	(2,507)	(2,359)	(2,214)	(2,589)	(2,448)	(2,613)	(2,463)	(2,306)
Other	(6,513)	(7,152)	(7,330)	(7,513)	(7,701)	(7,893)	(8,091)	(8,293)	(8,500)	(8,713)	(8,931)
Net cash provided (or used) in operating activities	58,932	24,243	20,832	21,807	23,767	24,713	25,371	25,691	26,513	27,675	28,638
Cash flows from investing activities											
<i>Receipts:</i>											
Sale of investments	-	-	-	-	-	-	-	-	-	-	-
Sale of real estate assets	-	-	-	-	-	-	-	-	-	-	-
Sale of infrastructure, property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<i>Payments:</i>											
Purchase of investments	-	-	-	-	-	-	-	-	-	-	-
Purchase of real estate assets	-	-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment	(59,444)	(40,241)	(51,798)	(30,250)	(19,873)	(21,412)	(28,772)	(23,222)	(27,916)	(18,163)	(22,454)
Other	-	-	-	-	-	-	-	-	-	-	-
Net cash provided (or used) in investing activities	(59,444)	(40,241)	(51,798)	(30,250)	(19,873)	(21,412)	(28,772)	(23,222)	(27,916)	(18,163)	(22,454)
Cash flows from financing activities											
<i>Receipts:</i>											
New loans	8,930	-	34,000	9,000	-	-	10,000	-	6,000	-	-
<i>Payments:</i>											
Loan repayments	(2,719)	(3,368)	(3,977)	(3,878)	(4,026)	(2,863)	(3,291)	(2,901)	(3,217)	(3,367)	(3,524)
Net cash provided (or used) in financing activities	6,211	(3,368)	30,023	5,122	(4,026)	(2,863)	6,709	(2,901)	2,783	(3,367)	(3,524)
Net increase / (decrease) in cash	5,699	(19,365)	(943)	(3,321)	(131)	438	3,308	(432)	1,381	6,145	2,659
Cash at the beginning of the year	23,807	29,506	10,141	9,198	5,877	5,746	6,184	9,492	9,061	10,442	16,586
Cash at the end of the year	29,506	10,141	9,198	5,877	5,746	6,184	9,492	9,061	10,442	16,586	19,245

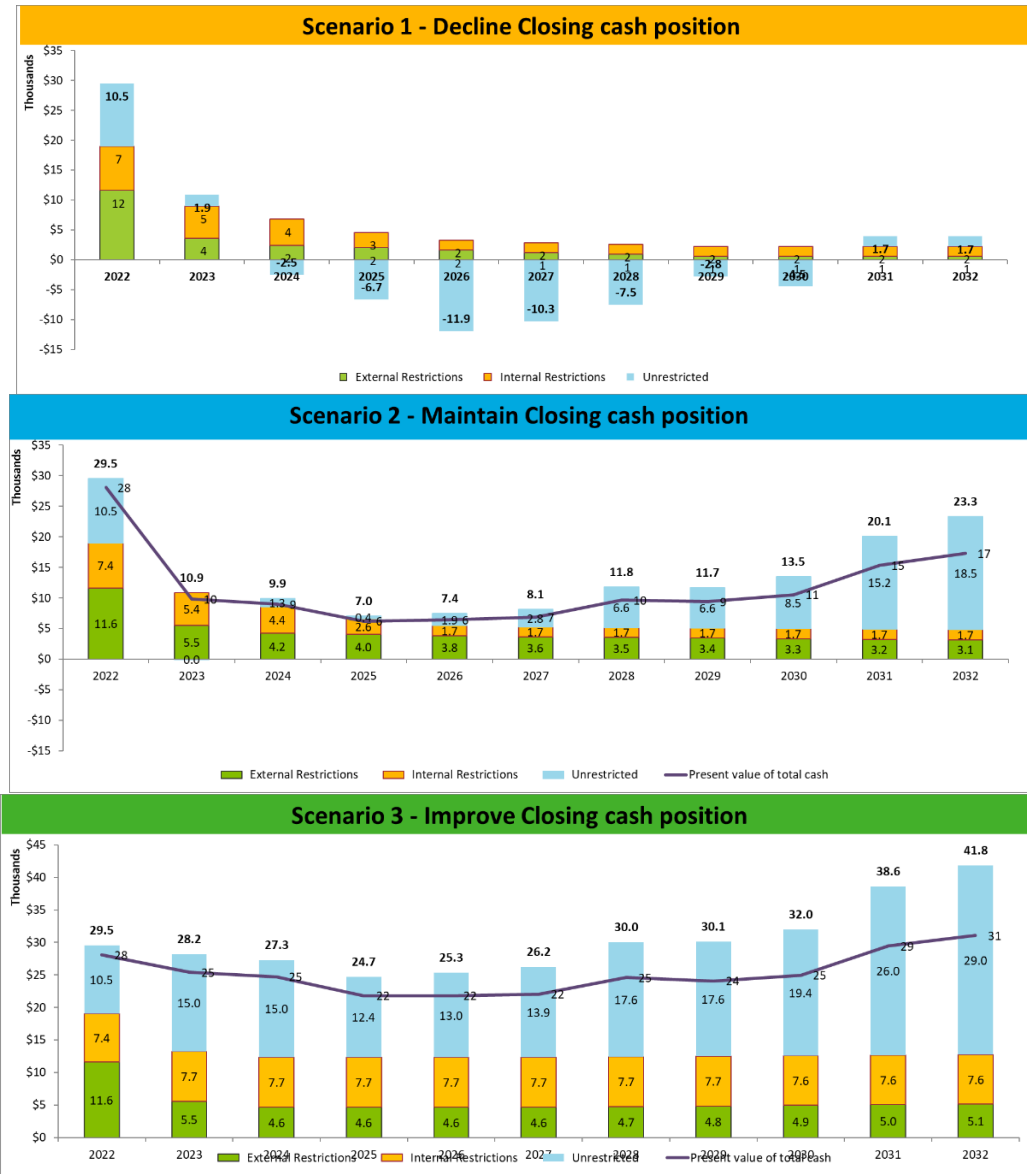
GENERAL FUND



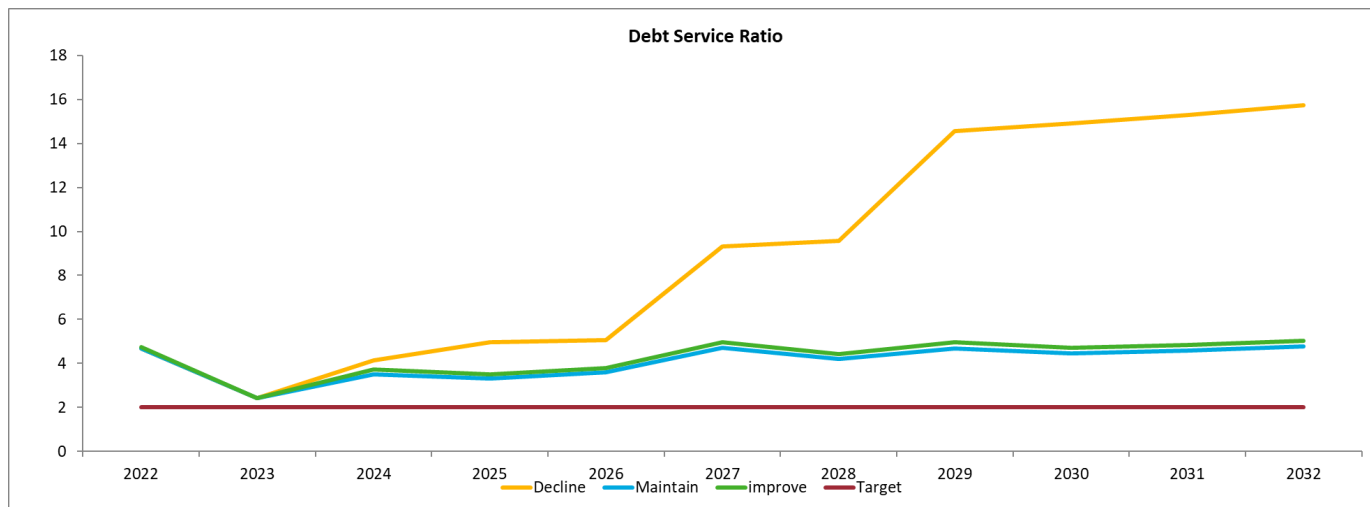
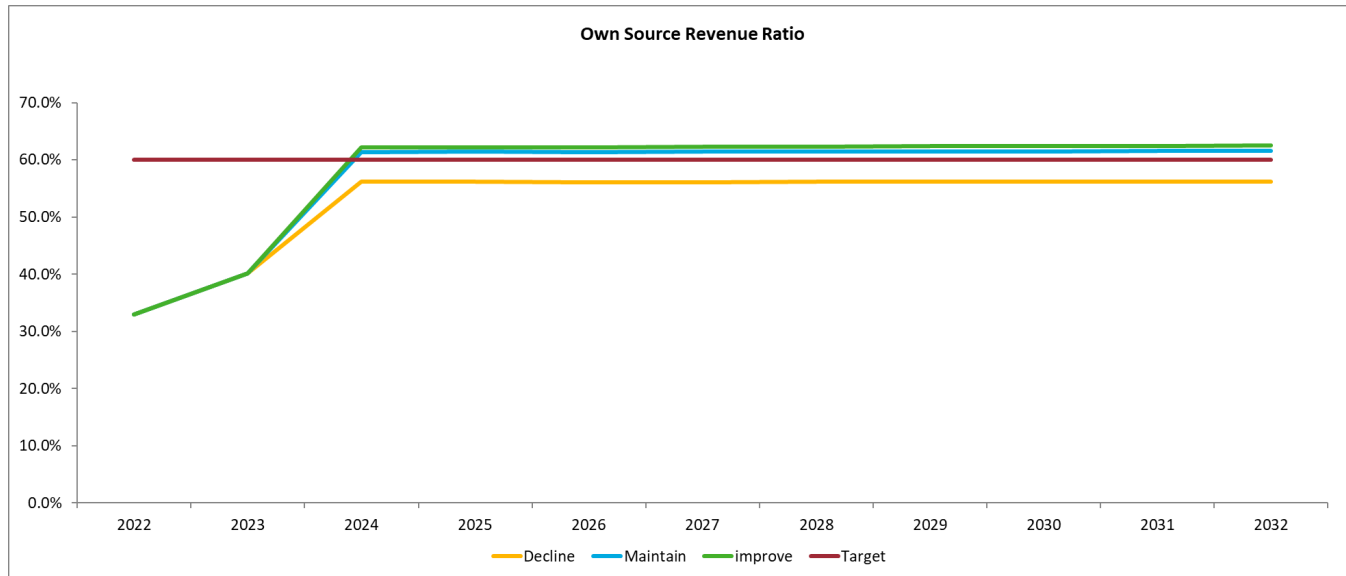
GENERAL FUND



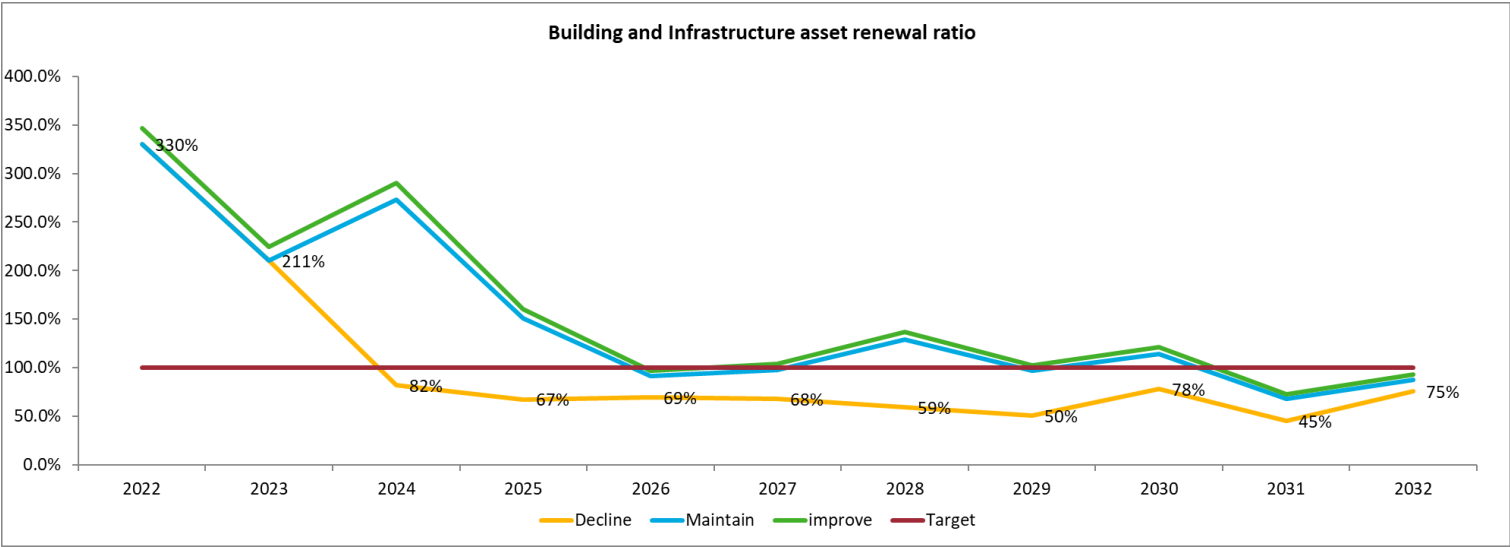
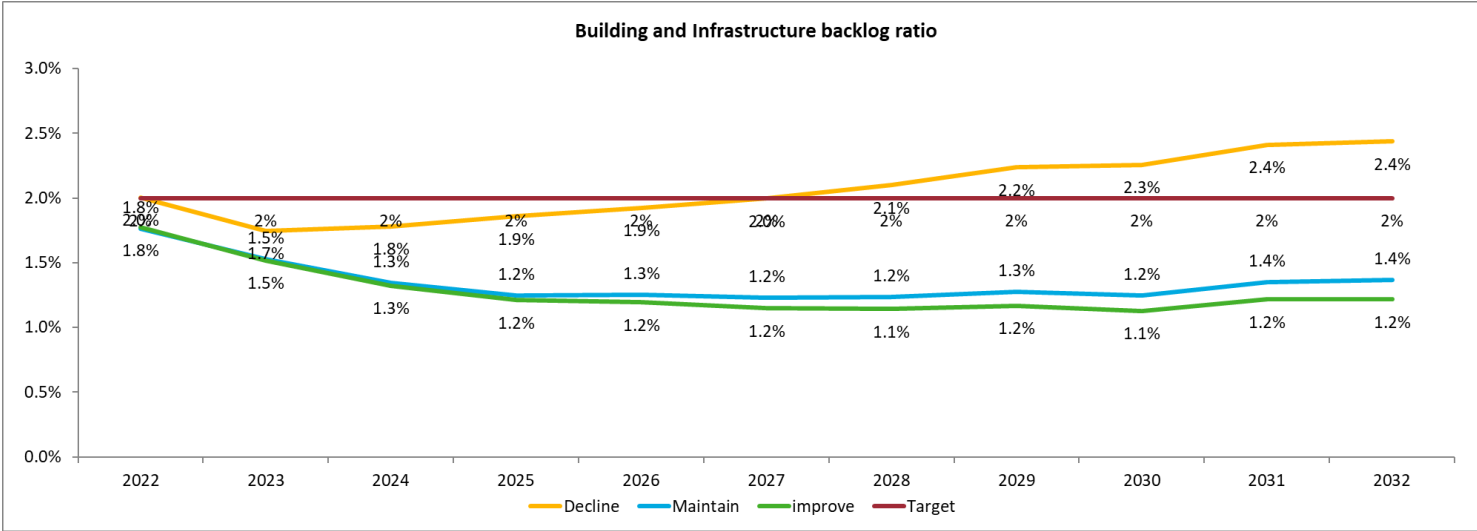
GENERAL FUND



GENERAL FUND



GENERAL FUND



Workforce Strategy 2022-25

DRAFT



Bega Valley Shire Council
acknowledges the Traditional
Custodians of the lands and
waters of the shire, the people
of the Yuin nation, and show
our respect to elders past,
present and emerging.

Contents

Executive Summary	3
Framework	4
Our Values.....	5
Achievements.....	6
Organisational profile.....	8
Strategic Challenges.....	11
Financial Considerations	12
Strategic Opportunities	13
Action Plan	14

Executive Summary

This workforce strategy, developed through internal and external consultation, identifies Council's challenges, opportunities and priorities in relation to its workforce for the 2022-2025 period.

The Workforce Strategy considers the people, capabilities, experience and expertise required to implement Council's four-year Delivery Program and continue progressing us towards the Community's long-term goals outlined in the Community Strategic Plan. The plan integrates principles of human resource management, strategic workforce planning and capability building. It outlines how Council will develop and maintain a high-calibre employee base that meets current and future organisational and community needs.

The Workforce Strategy includes:

- an explanation of the Integrated Planning and Reporting (IPR) framework and where the Workforce Strategy sits within that framework
- an overview of the corporate values embedded within the organisation
- the major achievements from the 2017-21 Workforce Strategy
- an organisational profile
- a summary of the strategic challenges and opportunities
- financials considerations
- the actions Council will take to ensure we build and maintain an appropriate workforce structure and culture to meet the objectives of the Delivery Program 2022-25.

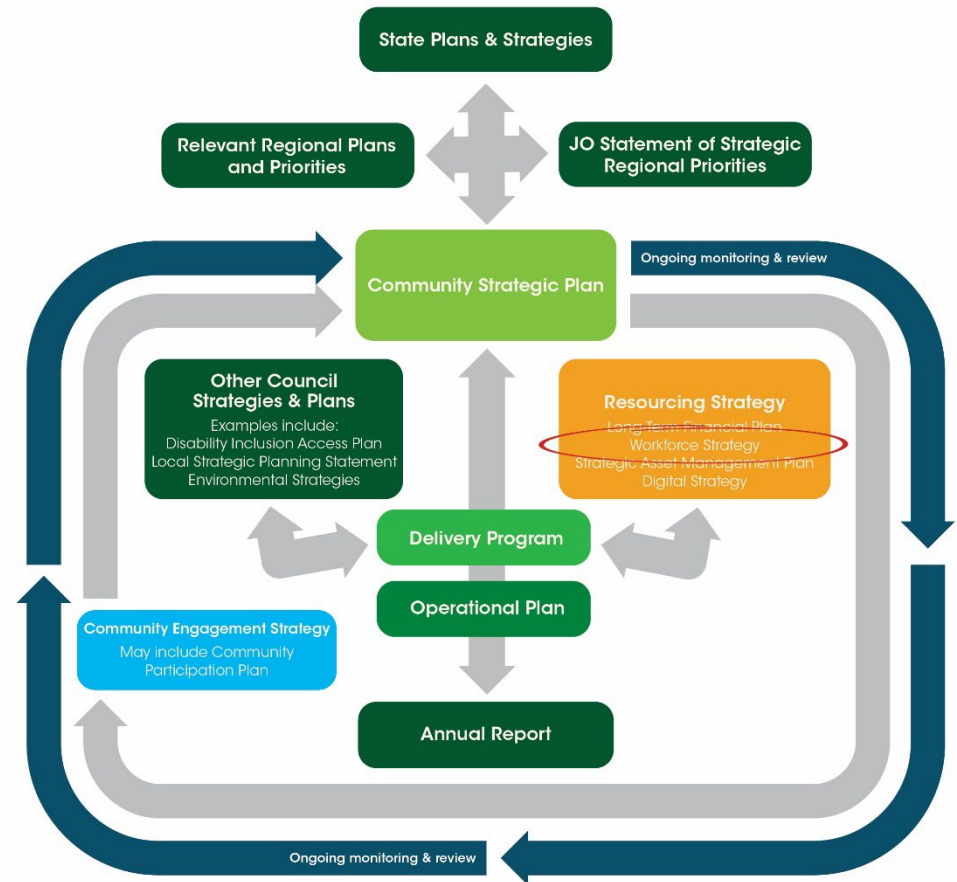


Framework

The Workforce Strategy identifies the strategic challenges, opportunities, and priorities for Council in relation to its people, and how we make sure we get the right people in the right positions to deliver our services effectively and efficiently.

The Community Strategic Plan 2042 outlines strategies that relate directly to our workforce:

- We have meaningful employment and learning opportunities for people at all stages in life.
- We are an informed and engaged community with a transparent, consultative and responsive Council.
- Council has strong organisational practices to ensure a viable organisation that delivers services and facilities to meet community needs.



Our Values

We are committed to being a values-based organisation. Council's core values are supported by commitment statements. Our 'PLaCE values' are:

- People matter – we care for our people and each other
 - We respect, value and trust each other
 - We provide a caring and safe workplace
 - We act with integrity and honesty
 - We maintain the right work/life balance
- Learning is important – we learn and innovate
 - We actively encourage innovation and learning
 - We learn from our mistakes
 - We are a no-blame workplace
 - We invite constructive feedback
 - We are always improving
- and we
- Can do – we have a can-do approach and focus on solutions and outcomes
 - We strive for excellence
 - We do what we say
 - We achieve outcomes as a team
 - We celebrate success
- Engaging the whole organisation is key – we engage and communicate, clearly and consistently
 - We go to the right person
 - We are open and transparent
 - We listen
 - We communicate clearly and consistently

These values continue to be applied within our organisation and guide our people and business activities, practices, systems and processes.



Achievements

During the four-year period preceding this workforce strategy, Council developed and implemented a number of actions and strategies, which have helped set the platform for future workforce planning and delivery of services.

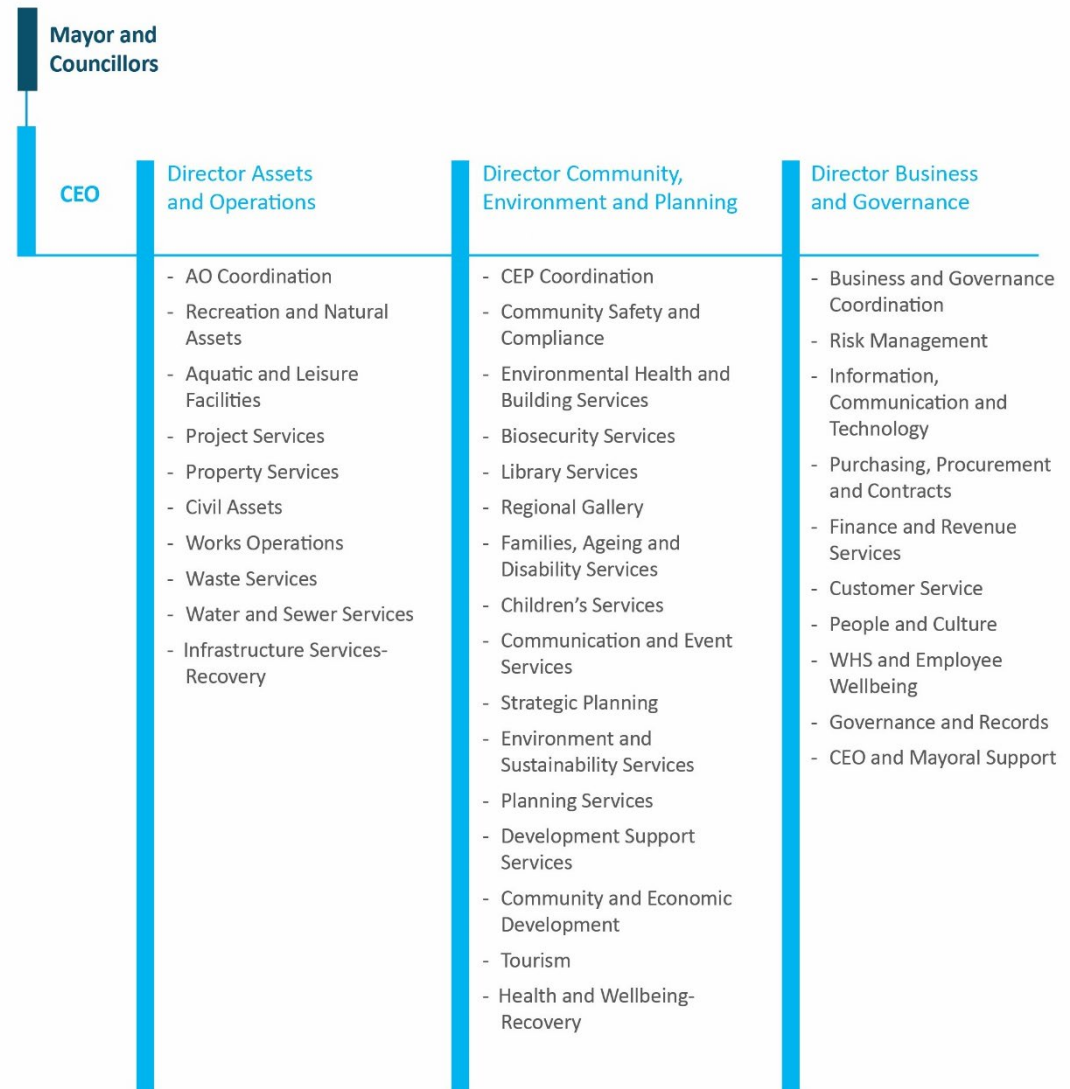
Some of the key initiatives implemented as part of the 2017-21 Workforce Strategy are highlighted in the table below.

Item	Achievement
Gender diversity	<p>Council has experienced a shift in its 'gender profile' since 2017. At 5 January 2022, 48% of employees are male and 52% female.</p> <p>A significant shift has occurred at the management level with a higher proportion of females now being employed in managerial positions. Out of the total of 20 managerial positions across the organisation, 9 of these are filled by women. Prior to 2017, the ratio of female to male staff in leadership roles was significantly lower.</p>
Engaging with youth	<p>In 2020, Council developed and implemented a Work Experience and Work Placement program. This was prepared in consultation with local high schools and tertiary education providers.</p> <p>Council has also developed positive networks in the local community and attend careers days and information sessions with the Department of Education, TAFE NSW and University of Wollongong (Bega Campus).</p> <p>Council has supported six (6) local high school students to complete a School Based Apprenticeship or Traineeship.</p>
Organisational culture and staff satisfaction	<p>In October 2020, Council entered a research project with the University of South Australia to deliver the first of three organisational culture and staff satisfaction surveys.</p> <p>The second survey was delivered in November 2021 and the third expected to be implemented in October/November 2022.</p> <p>The results of the first survey were positive, with a response rate over 60%. The overall satisfaction of staff was higher than the industry average, as was the level of resilience and organisational citizenship experience from our employees.</p>

Item	Achievement
Engaging cadets/trainees/apprentices	<p>At 5 January 2022, Council employs 9 people on 6-year contracts as cadets. These fixed-term positions are currently working in engineering, finance, human resources, and environmental planning.</p> <p>During 2017-21, Council had several cadets complete their tertiary studies and successfully apply for permanent roles within the organisation, particularly in engineering, waste services, finance and human resources.</p> <p>In November 2021, Council developed a formal traineeship program, appointing 10 new trainees to fixed-term contract positions. The trainees are working in finance, revenue, property services, IT, compliance, building and certification, and records management.</p> <p>We also have three people engaged in four-year apprenticeships within our Water and Sewer Services, and Fleet Services.</p>
Learning and Development	<p>In November 2021, Council implemented an online Learning Management System (LMS) that is being used to deliver training and education to all employees.</p>
Improvement of Human Resource Management System (HRMS)	<p>To help improve delivery of its services, Council has implemented a number of new and improved software solutions concerning its Human Resource Information System (HRIS), including:</p> <ul style="list-style-type: none"> • introduction of an improved recruitment and selection platform in December 2019 • implementation of project management software in 2020 • implementation of delegations' software in 202. • implementation of an online Learning Management System (LMS) in December 2021 • implementation of a new financial reporting software (BIS) in October 2021. <p>The introduction of these systems has seen improvements in the efficiency of operational processes.</p>
Decentralisation and mobilisation of the workforce	<p>In response to the COVID-19 pandemic, Council introduced formalised Home-based Work Agreements in February 2020 that will remain in place as a strategic objective of workforce management through attraction and retention.</p>
Working together	<p>Council is a member of the Canberra Region Joint Organisation (CRJO) and continued to work in collaboration with this group.</p> <p>Council's Memorandum of Understanding (MOU) between Bega, Eden and Merrimans Local Aboriginal Lands Council was adopted in August 2019.</p> <p>In 2020, Council developed and implemented a Work Experience and Work Placement program. This was developed in consultation with local high schools and tertiary education providers.</p> <p>In October 2021, Council adopted its Disability Inclusion Action Plan (DIAP) 2021-2025.</p>

Organisational profile

Leadership and management of Bega Valley Shire Council is a collaborative effort between the Mayor, Councillors, the Chief Executive Officer (CEO) and staff. The CEO is responsible for the effective and efficient delivery of Council's day-to-day operations and reports to the Council (Councillors). Our CEO is supported in the role by three Directors who, with the CEO, form the Leadership Executive Group.



Council traditionally has stable employee numbers and trends or comparisons in data are difficult to analyse. During the period between December 2019 and January 2022, Council experienced a number of external events which impacted our workforce profile. The Black Summer bushfires in 2019-20, multiple flooding events, and COVID-19 have all had significant and ongoing effects on our business operations.

The number of fixed-term contract positions and secondments has increased significantly during the 2017-21 period. These increases were driven predominantly by recovery from the Black Summer bushfires and other natural disasters. Overall, as at 5 January 2022, there is an improvement in the gender balance.

Employment types

Workforce snapshot



Full-time equivalent positions **345**



Fixed term contract positions **158**

- Cadets **9**
- Trainees **15**
- Apprentices **3**



Casual employees engaged **65**



Total head count **568**

Gender profile

Male Employees (%)	48
Female employees (%)	52
Gender profile by directorate	
Assets and Operations	
- Male	221
- Female	100
Community, Environment and Planning	30
- Male	147
- Female	
Business and Governance	
- Male	15
- Female	55
Men in managerial positions	11
Women in managerial positions	9

The data provided in these tables are the status as at 5 January 2022. The number of casual employees engaged (65) were those engaged in casual work in the two-week pay period preceding 5 January 2022.

Age profile

15-19 years	16
20-24 years	26
25-29 years	44
30-34 years	56
35-39 years	79
40-44 years	61
45-49 years	78
50-54 years	72
55-59 years	63
60-64 years	50
65 or older	23

Length of Service

Length of tenure is less than 10 years	433
Length of tenure is between 11-19 years	91
Length of tenure is between 20-29 years	28
Length of tenure is between 30-39 years	12
Length of tenure is 40 years or above	4

Diversity profile

Aboriginal or Torres Strait Islander people	14
People with disability	2
Culturally and linguistically diverse people	12

Turnover and retirement rates

Turnover rate	9.3%
Retirement rate	1%

Strategic Challenges

Bega Valley Shire Council is a member of the Canberra Region Joint Organisation (CRJO). In October 2020, following a process of collaboration and consultation with members, the CRJO adopted and published the Regional Workforce Strategy.

The regional strategy identified key drivers and pressures being experienced by Council regarding the management of its workforce and ability to continue delivering services to the community as a result of external forces.

The drivers and pressures for Bega Valley Shire Council identified in the regional strategy include:

- **Geography**
The geographic location of the shire can create challenges in attracting and retaining employees to the organisation.
- **Local economy and employment**
The local economy and employment opportunities outside of Council can create challenges in attracting and retaining employees to the organisation – especially prospective employees with families.
- **Demographics and education**
The importance of lifestyle is a significant motivator for attracting and retaining prospective employees. A high proportion

of people under the age of 30 are moving out of the shire to pursue employment and education opportunities. The Bega Valley Shire has a higher-than-average amount of people with graduate and postgraduate qualifications; many of these qualified individuals are retirees.

- **Competition with other employers**
Major infrastructure projects in the South East such as Snowy Hydro 2.0 or other region-wide infrastructure projects make it a challenge to attract new employees. The potential for employees to work from home is a challenge due to private enterprise, state and federal government employers enabling staff to work remotely, decentralising the workforce and increasing competition in the employer market.
- **The state of local government as an industry**
 - Employee costs (salaries, wages, and other employee costs) are 37% of total expenditure across the CRJO members.
 - There are major skills shortages within local government – particularly in disciplines of engineering, project management, planning and plant operators.

- Difficult to retain employees due to remuneration in regional areas as well as lower levels of opportunities for career progression and experiences that larger metropolitan councils may offer.
- Recovery from natural disasters; in particular the 2019-20 bushfires has diversified the services provided by Council and in some cases, redirected the priority of desired community outcomes.
- The ongoing impacts and opportunities that arise as a result of the COVID-19 pandemic.

In addition to the challenges identified at the regional level, Council also faces a number of challenges on a local level, including:

- the low ratepayer base in the Bega Valley
- the ability to generate revenue to pay for a skilled and experienced workforce
- the availability and affordability of housing in the shire
- the high number of volunteers that council relies on to support the community
- the need to adapt to and adopt new technology suitable to local government.

Financial Considerations

Employment costs are estimated to account for 34% of our total draft estimated 2022-23 operating expenditure and have been developed under the following assumptions:

- continuation of current agreed service levels for delivering outputs, functions and actions
- a stable workforce number with no significant changes to functions and services
- an annual turnover rate of between 10- 20%
- continued internal focus to develop and grow staff skills, experience and knowledge programs
- minimal industrial activity
- no significant labour policy changes
- appropriate workforce and resources to complete the delivery program and operational plan actions
- completion of asset management annual programs

Using these assumptions, employment costs have been projected to support business as usual service delivery.

With 24% of Council employees aged 55 or over we need to plan for impending liabilities associated with staff exiting the workforce.

The forecast balance of the Employee Leave Entitlements (ELE) as at 30 June 2022 is \$1.6million. We will continue to monitor the ELE over the coming years and will actively manage Council's leave liability.

Ongoing capacity to fund rising employment costs will require a strategic approach that maximises revenue streams, reviews service provisions and models, and increases resource capabilities.

Increases in employee costs can be attributed to:

- Local Government Award salary/wage and performance review increases
- changes to employee leave entitlements
- superannuation
- workers compensation
- staff training
- other employment costs.

Year	Total Employee Costs (\$,000)
2020-21	39,838
2021-22	40,847
2022-23	42,498

^ These include operational and capital wages.

Strategic Opportunities

Although the operations of Council and delivery of services to the community will be influenced by the challenges identified within this document, there are also a number of opportunities that will be considered as part of this workforce strategy and the actions included.

The strategic opportunities are:

- involvement in the development of a circular economy and other networking opportunities
- the geographical location of the Shire
- the provision of flexible and remote work arrangements
- culture of the organisation
- utilising economies of scale in our workforce that allows us to encourage diversity and be agile when needed
- the development and growth of existing personnel as well as other local residents who join our organisation.

Based on the challenges and opportunities identified above, Bega Valley Shire Council has identified the following as its strategic priorities for the 2022-25 period.



Action Plan

Strategic priority	Action	Year
Technology	Implement new performance management system	2022/23
	Implement new payroll system	2023/24
	Conduct audit of personnel data with Financial Management Information System (FMIS)	2022/23
	Mobile devices and software	2022- 2025
Attraction and retention	Provide flexible and remote working arrangements for new and existing employees	2022/23
	Develop and maintain partnerships with local high schools and tertiary education providers to promote local government as a career	2022-2025
	Develop a formal internship, work experience and work placement program	2022-2024
	Develop and implement a staff wellbeing program that includes informal rewards and recognition	2022/23
	Develop a service level agreement with other councils within the CRJO that enables resource sharing through fixed-term secondments	2023/24
	Conduct a review of Council's salary structure	2024/25
	Finalise and implement diversity and inclusion employment strategies	2022/23

Strategic priority	Action	Year
Learning and development	Deliver learning and development program through Learning Management System	2022/23
	Implement mentoring strategy	2022/23
	Develop a service level agreement with other Councils within the CRJO to promote, encourage and enable resource sharing	2023/24
	Higher duty arrangements and internal secondments	2022-2025
Skills shortages	Develop and implement a formalised succession plan which focusses on hard to recruit roles and potential areas where skills shortages exist	2022/23
	Develop and implement a formal cadet, trainee, and apprentice program	2022-2025
Knowledge management	Implement succession planning strategy	2022/23

Council's People and Culture team is responsible for implementing the Action Plan. The Plan will evolve as the community and the organisation reviews and evaluates its needs. At a minimum, it will be reviewed every year alongside our Operational Plan to ensure its objectives reflect the changing workforce, community and Council priorities.

Key performance measures

Performance Measure	Baseline- 2022	Desired Trend
Training expenditure	\$166,515	Stabilise
Gender profile	48:52 Female to Male ratio	Stabilise
Number of cadets, trainees, and apprentice	25	Increase
Indigenous employment and diversity profile	15	Increase
Employee with excess leave accruals		Decrease
- Number of staff with more than 13 weeks Long Service Leave	46	
- Number of staff with more than 8 weeks Annual Leave	49	
Employee satisfaction	4.16/5.00	Stabilise
Employee resilience	4.74/6.00	Increase
Employee turnover	9.3%^	Stabilise

^ Benchmark from PWC Excellence Program and CRJO Regional Workforce Strategy is between 10%- 20%

Supporting documents

- Regional Workforce Strategy
- Community Strategic Plan
- BVSC IPR document suite
- Succession plan
- Mentoring strategy
- Local Aboriginal Land Councils- Memorandum of Understanding
- Disability and Inclusion Action Plan
- Corporate learning and development plan
- CERM PI culture survey report

Strategic Asset Management Plan 2022-25

DRAFT



Bega Valley Shire Council acknowledges the Traditional Custodians of the lands and waters of the shire, the people of the Yuin Nation, and show our respect to elders past, present and emerging.

Contents

Executive Summary 3

Framework 4

Legislative Context 5

Asset Management Policy 5

Strategic Asset Management Plan 6

Asset Management System 6

Planning Process 7

Planning Integration 7

Limitations of the Plan 7

Exclusions in the Plan 7

Strategic Priorities 8

Current State 9

Asset Management at Council 9

Asset Maturity Assessment 9

Asset Management Plans 9

Our Assets 10

Asset Replacement Cost 11

Asset Condition 13

Asset Lifecycle Management 17

Asset Financial Management 17

Routine Operation and
Maintenance 17

Asset Renewal/Replacement 17

Planning Asset Lifecycles 18

Service Delivery 24

Future Demand 26

Population growth and change in
demographic composition 26

Changes in technology 27

Climate Change adaptation and
resilience 27

Risk Management 28

Asset Management Improvement Plan 31

Executive Summary

The overall objective of asset management is to provide clear direction for the management of Council-controlled assets, to ensure Council is able to deal with changes to meet community needs, in accordance with legislation, and deliver fit-for-purpose assets for the community.

Council manages and maintains more than \$1.7 billion of assets, which enable us to provide services to our community. These assets include roads, drainage, pathways, water and sewer infrastructure, community facilities, parks and recreational facilities, administration buildings, cemeteries, works depots, plant, fleet and the Merimbula Airport. The level of service delivered by these assets is largely determined by the way they are maintained and operated.

The Strategic Asset Management Plan (SAMP) sets out the broad framework for undertaking structured and coordinated management of Council's assets in accordance with Council's Asset Management Policy. It outlines key principles that underpin our approach to providing the assets that are essential to our community.

Supporting the SAMP are detailed Asset Management Plans for each asset class, which are living documents that are continually updated and refined.

The SAMP aggregates the key insights from those detailed plans and in doing so highlights the long-term funding challenges Council must address to meet the commitments outlined in the Community Strategic Plan and deliver the level of service desired by the community over the next 10 years.

Considered in conjunction with the Long Term Financial Plan, the SAMP lays bare the available funding under Council's existing revenue compared to the costs of providing levels of service currently adopted to meet the communities current and future demand.

It becomes obvious that Council must seek additional sources of revenue, or lower its levels of service in some or most of its service areas. This document provides strategic guidance on the options Council has within its means to align its financial constraints and its services delivered via its assets.

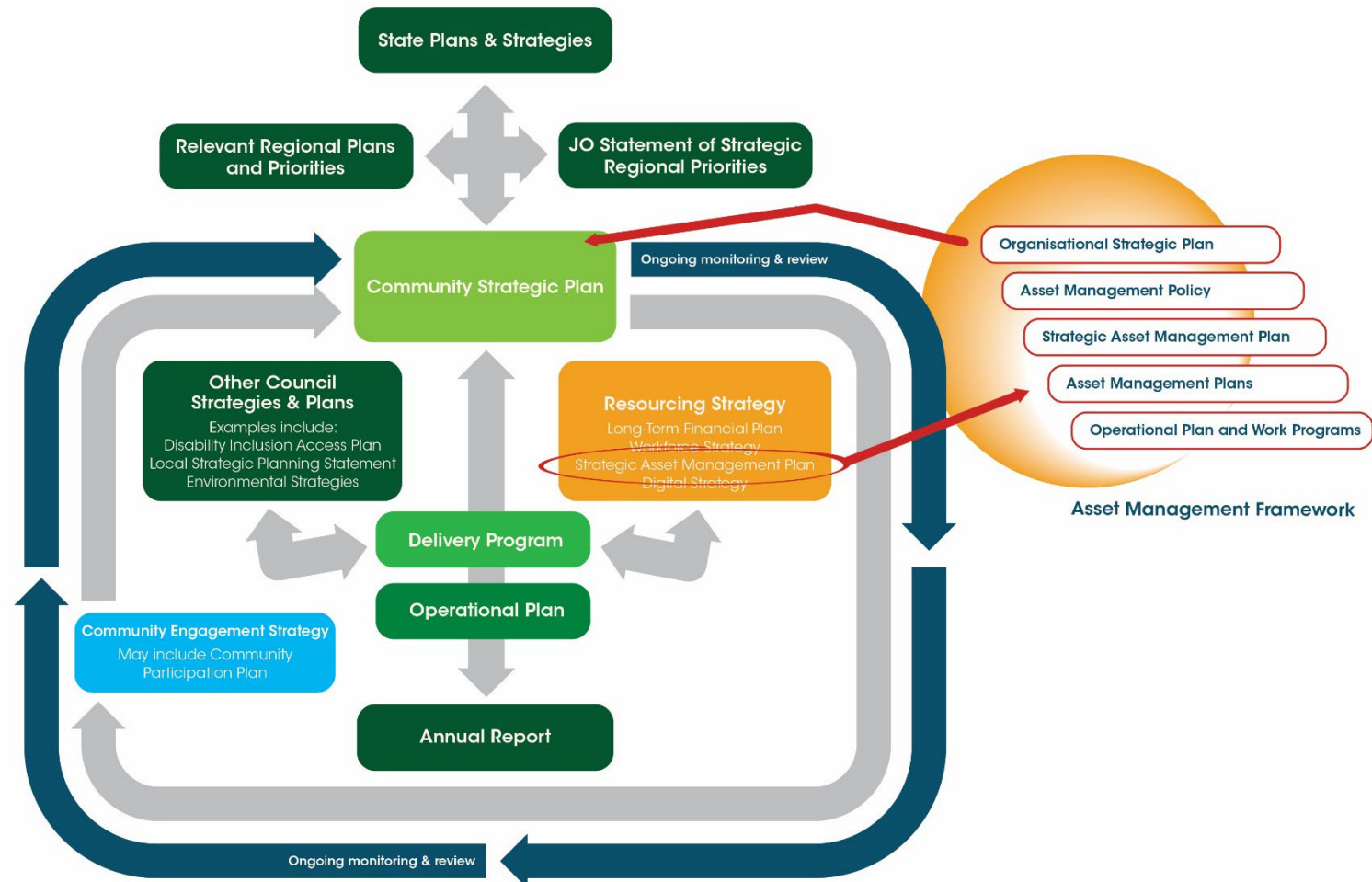
Council will undertake a further review of this Strategic Asset Management Plan and our Long Term Financial Plan in the coming months as further progress is made with asset revaluations across several of our asset classes.

More broadly, Council will also continue to improve on its asset management practices as outlined in the SAMP Improvement Plan thereby demonstrating an ongoing commitment to the effective and responsible administration of public infrastructure.

Framework

Council must account and plan for all existing assets under its control by way of an Asset Management Policy, Strategic Asset Management Plan and Asset Management Plans (AMPs) for each asset class. These documents form an integrated component of Council's overall Resourcing Strategy.

The community has set out their aspirations in the Community Strategic Plan 2042. Council's asset portfolio plays both a direct and an indirect role in achieving the strategic objectives of Council and supporting the service delivery needs of the community.



Legislative Context

There are various legislative requirements, codes of practice and Australian Standards Council must comply with in relation to the management of its assets. Some of these, such as the *Roads Act NSW 1993* and its subordinate regulations and guidelines are only applicable to certain asset classes or service delivery areas, whereas others apply to all of Council's assets. Where relevant these are detailed in the various asset management plans that are summarised in this SAMP.

Integrated Planning and Reporting Framework

Under the *Local Government Amendment (Governance and Planning) Act 2016* and associated guidelines, Council must have a long-term Resourcing Strategy covering the provision of resources required to implement its Community Strategic Plan. The Resourcing Strategy is to cover asset management planning, among other areas. Asset management planning requirements of this legislation include the development of an Asset Management Policy endorsed by Council for inclusion in an Asset Management Strategy. The Asset Management Strategy is required to support the Community Strategic Plan

and Delivery Program and provide for a minimum timeframe of 10 years.

Local Government Act

Council has a number of statutory responsibilities in relation to asset management under the *Local Government Act 1993*, which outlines Council's functions, responsibilities and powers, including providing and maintaining community infrastructure.

Other Acts and Regulations

The NSW and Federal Acts and associated Regulations that may apply to strategic asset management include the:

- *Roads Act 1993*
- *Environmental Planning and Assessment Act 1979 and Regulations 2000*
- *Work Health and Safety Act 2011 and Regulations 2011*
- *Protection of the Environment Operation Act 1997 and Regulations 2009.*

The *Civil Liability Act 2002* also requires Council to minimise the risk to Council from public liability and address the reasonable expectations of the community in managing the risk to the public through the prudent management of Council's assets.

Asset Management Policy

The purpose of the Asset Management Policy is to set guidelines for implementing consistent asset management processes throughout Bega Valley Shire Council.

Our vision is that the Bega Valley Shire is an inclusive and welcoming community that integrates quality of life, prosperity, sustainable development and conservation of the environment. Our connection to Country is guided by the culture and heritage of our Traditional Owners.

Scope

The policy encompasses the systems implemented by Council to effectively manage and maintain its assets and should be read in conjunction with the Community Strategic Plan (CSP) 2042, the Resourcing Strategy and the Financial Management Policy. The policy applies to all departments, officers, employees, contractors and elected representatives. The full policy is available as a stand-alone document on Council's website.

Planning Process

Asset management planning is a comprehensive process to ensure that assets are managed and maintained in a way that enables affordable services from infrastructure to be provided in an economically optimal way. In turn, affordable service levels can only be determined by assessing Council's financial sustainability under scenarios with different proposed service levels.

Planning Integration

The SAMP integrates with the Long Term Financial Plan and the individual asset class Asset Management Plans. In particular it aggregates the asset management requirements for each asset class, prioritises them, and puts forward three scenarios for asset management that reflect the Long Term Financial Plans options for (1) Declining levels of service, (2) Maintained levels of service, and (3) Improved levels of service. By clearly defining these options Council can better consider the benefits, costs and sustainability implications for the community of adopting a particular financial and level of service model.

Limitations of the Plan

The SAMP is developed at a point in time, and bases its assumptions, facts and recommendations on information (data) held static at that point in time. The validity of the SAMP (and related strategies and plans) therefore reduces over time as information is superseded. It is also impacted on the relative confidence level of the data at the point in time it is assessed. In particular, financial information such as asset value, remaining useful life and renewal and upgrade cost estimates are linked to the most recent asset valuation data, which varies in age depending on asset class and service delivery area.

In recognition of this, the SAMP and AMPs are typically reviewed annually, and updated as necessary. Given the significant asset revaluation work currently underway across a range of asset classes the SAMP and AMPs will be updated again in the coming months. The Long-Term Financial Plan will

also be updated, adjusting the decline, maintain and improvement scenario models which are explained in the "Current State", and "Lifecycle Costs" sections of the SAMP.

This SAMP is based on medium level of confidence information overall. Improvement in information quality/confidence is a key theme of the Asset Improvement Plan.

Exclusions in the Plan

This version of the SAMP has excluded Water and Sewer assets data from the "Current State", "Lifecycle Costs" and "Risks" sections of the SAMP. Separately regulated, Council's Water and Sewer Services are required to develop a Strategic Business Plan and Asset Management Plan that guides the provision of their services. This is still considered and adopted by Council, but will occur separate to this SAMP and LTFP.

Whilst their asset data is excluded, they still form part of Council's Asset Management System and are therefore mentioned throughout the remainder of the SAMP from a policy and governance perspective. Importantly, the revenue base from Water and Sewer charges cannot be considered conceptually isolated from all other Council revenue bases, as collectively they impact the resident and ratepayers ability to afford the levels of service provided by Council.

Waste Services have adopted a Strategic Business Plan in October 2021. The adopted levels of service and revenue option (improved levels of service) has been included consistently throughout this SAMP in all three "whole of Council" scenarios (decline, maintain, improve) so that those scenarios do not misrepresent Council's financial options. Waste Services Decline and Maintain scenarios are therefore excluded from this SAMP.

Cemeteries and Airport services have not developed Asset Management Plans subordinate to the SAMP. These service delivery areas are provided in such a context that instead, they are guided by a Cemeteries Plan 2020-2030 and Airport Master Plan achieving the same planning objectives. Their data is included throughout the SAMP.

Strategic Priorities

Implementing the SAMP impacts the entire business and to keep focussed, Council has developed high level focus areas to improve asset management practices. The operational actions related to these focus areas are captured in the Asset Management Improvement Plan.

1

Financial and asset management planning integration and reporting

Improved decision making and greater value for money by ensuring financial and asset information is available for Council and the community and changes to service levels arising from budget decisions can be easily determined

2

Data collection and management

Greater accuracy and consistency of corporate data

3

Capacity building

Improved financial and asset management capacity within Council

4

Operational Implementation

Service delivery is matched to available resources and operational capabilities

Current State

Asset Management at Council

Council last updated its Strategic Asset Management Plan and asset class Asset Management Plans (AMPs) in 2017, and these have been periodically reviewed and updated since that time.

A 'whole of organisation' approach to asset management has been developed at Council with the establishment of the Corporate Asset Management Group in 2020. This group ensures there is a more coordinated approach to strategic and financial planning, information and data management. It also provides wider accountability for achieving and reviewing sustainable asset management practices.

Further achievements in asset management since the last SAMP was adopted include:

- Commencing the implementation of a corporate asset management information system and integrated asset register
- Establishing a regular Asset Management Group meeting with cross-organisation representation
- Asset management knowledge training for staff from across the business
- Organisational alignment of transport and buildings asset management with the related works department of Council
- Improved Capital works planning and project management procedures
- Significant levels of grant support secured to deliver desired upgrade projects

Asset Maturity Assessment

Council has not undertaken a contemporary asset maturity assessment due to budgetary and other resource constraints imposed in dealing with

several years of unprecedented natural disasters and COVID-19 and their impact on the community and Council's assets and operations.

Despite this, Council's maturity is expected to have improved due to several main factors; the re-organisation of asset management structures and procedures in Council and the ongoing implementation of formal information systems and their integration with financial and geospatial systems. Undertaking a formal maturity assessment and moving toward independent accreditation of Council's Asset Management System are key features of the Asset Management Improvement Plan, and the logical next steps on Council's roadmap for improving asset management maturity.

Asset Management Plans

This Strategic Asset Management Plan summarises the key issues and data from the following plans:

- Parks, Aquatic and Recreation Asset Management Plan
- Waste Services Asset Management Plan
- Buildings Asset Management Plan
- Merimbula Airport Masterplan
- Cemeteries Plan 2020-2030
- Roads Asset Management Plan
- Stormwater Asset Management Plan
- Shared Network Asset Management Plan
- Structures Asset Management Plan

Our Assets

The Bega Valley Shire Council is responsible for managing the following Assets:

Table 1: BVSC Assets

Asset Class	Qty Measure	Asset Class	Qty Measure
Roads – Sealed	796.6km	Saleyards	1
Roads - Unsealed ²	688.9km	Sporting Fields	25
Carparks	76	Sports Courts	54
Kerb and Gutter	290.5km	Swimming Pool Facilities	6
Bridges and Major Culverts >6m	235 ³	Playgrounds	43 ⁴
Shared Path, Footpaths & Cycleways	144.6km ⁵	Skateparks	9
Airports	1	Public Amenities	302 ⁶
Urban Stormwater network	122.3km ⁷	Central Waste Facilities	1
Major Marine (Wharves & Jetties)	3	Waste Transfer Stations	6 ⁸
Community Halls (sites)	18 ⁹	Cemeteries	14
Childcare and Pre-schools	5	Beaches	101
Civic Centre, Libraries and Museums	8	Estuaries	29
Regional Galleries	1	Recreational Marine Facilities	13
Administration and other Buildings	78	Fleet (Plant and Vehicles)	301

² The total road network is considerably less due to data improvement, network definition and upgrades

³ This is less than 2017 due to redefinition of complying structures

⁴ This is less than 2017 as skateparks were not separately reported.

⁵ This has grown due to several significant upgrades and acquisitions

⁶ This has increased due to acquisitions and redefinition of complying structures

⁷ This has grown modestly due to development activity

⁸ This has decreased due to losses to bushfire

⁹ This has decreased due to losses to bushfire – The figure states the number of main sites. There may be multiple individual buildings constituting a “hall”

Asset Replacement Cost

Council manages and maintains more than \$1.7 billion of assets, which enable us to provide services to our community. These assets include roads, drainage, pathways, water and sewer pipes and treatment plants, community facilities, parks and recreational facilities, administration buildings, cemeteries, works depots, plant and fleet and the Merimbula Airport.

The estimated replacement costs are aggregated by asset class or service area in Table 2. The table includes the asset category current replacement cost (CRC) and average category condition scores.

Table 2: Asset Replacement Costs and Average Condition

<i>Asset Class</i>	<i>Current Replacement Cost (\$m)</i>	<i>Average Condition[^]</i>
Roads – Sealed	\$344.137	2.08
Roads - Unsealed	\$67.061	1.60
Carparks	\$5.784	2.60
Kerb and Gutter	\$41.421	2.59
Bridges and Major Culverts >6m	\$221.741	2.00
Urban and Rural Stormwater	\$74.715	2.89
Shared Path, Footpaths & Cycleways	\$26.074	2.80
Major Marine (Wharves & Jetties)	\$11.780	3.33
Buildings (combined)	\$87.221	2.95
Recreational and Natural Assets (combined)	\$79.456	2.80
Waste Facilities (combined)	\$16.830	2.60
Fleet	\$18.494	Not Reported
Airports	\$10.573	Not Reported
TOTAL ¹⁰	\$1,005.287	

¹⁰ Excludes Water and Sewer Assets. Replacement Cost source: FY21 Audited Financials

[^]Average Condition data is based on current asset data

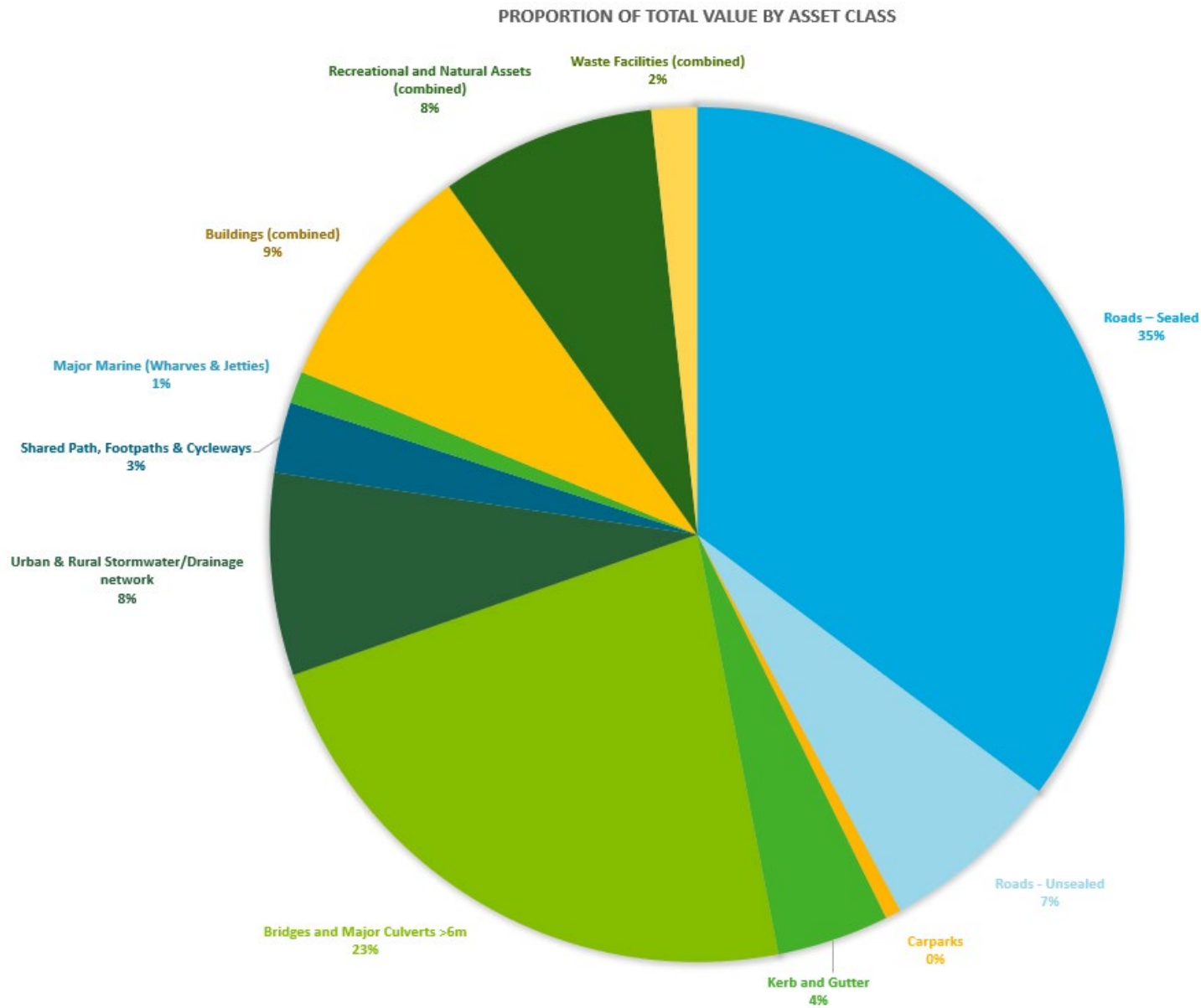


Figure 2: Proportion of total value by asset class based on CRC

Asset Condition

Council regularly assesses the condition of owned assets as part of data collection processes. The condition scores are described in Table 3. The asset condition scoring is based on a scale of 1-5. The descriptions in the table are a general guide to assist in understanding the meaning of each condition score. Asset condition scores contribute to a framework for determining sustainable asset service levels. Other factors to be considered include:

- Affordability
- intergenerational equity
- risk of asset failure
- capacity
- function

Table 3: Asset Condition Scores Scale

<i>Condition Score</i>	<i>Tag</i>	<i>Description</i>	<i>Remaining service potential</i>
1	Excellent	New or near new condition. Only planned cyclic inspection and maintenance required.	Very high
2	Good	Sound or good condition with minor defects. Minor routine maintenance along with planned cyclic inspection and maintenance required.	High
3	Average	Fair condition with significant defects requiring regular maintenance on top of planned cyclic inspections and maintenance to keep the asset serviceable.	Adequate
4	Poor	Poor condition with asset requiring significant renewal/rehabilitation, or higher levels of inspection and substantial maintenance to keep the asset serviceable.	Low
5	Very Poor	Very poor condition. Physically unsound and/or beyond rehabilitation. Renewal required.	Very Low

Table 4: BVSC Asset Condition Scores by volume (not value)

	Condition 1	Condition 2	Condition 3	Condition 4	Condition 5
Roads – Sealed	47.7%	20.4%	16.1%	7.8%	8.0%
Roads - Unsealed	63.1%	21.3%	12.1%	0.8%	3.3%
Carparks	20.5%	45.5%	8.0%	5.7%	20.5%
Kerb and Gutter	22.7%	38.3%	13.9%	8.1%	17.0%
Bridges and Major Culverts >6m	17.0%	58.7%	19.6%	4.3%	0.4%
Urban & Rural Stormwater/Drainage network	3.4%	1.6%	91.7%	1.0%	2.4%
Shared Path, Footpaths & Cycleways*	0.0%	53.3%	20.0%	20.0%	6.7%
Major Marine (Wharves & Jetties)^	0.0%	0.0%	66.7%	33.3%	0.0%
Buildings (combined)	2.8%	8.3%	82.3%	4.6%	2.0%
Recreational and Natural Assets (combined)	18.4%	18.8%	35.9%	18.3%	8.7%
Waste Facilities (combined)	1.1%	32.7%	62.5%	3.3%	0.4%
Fleet	Not Reported - Not Managed by Condition				
Airports	Not Reported – Currently Under Major Phased Upgrade				

*There is extremely limited formal condition assessment of our Shared Network. The figures here are extrapolated from existing data.

^There are only 3 assets in this category.

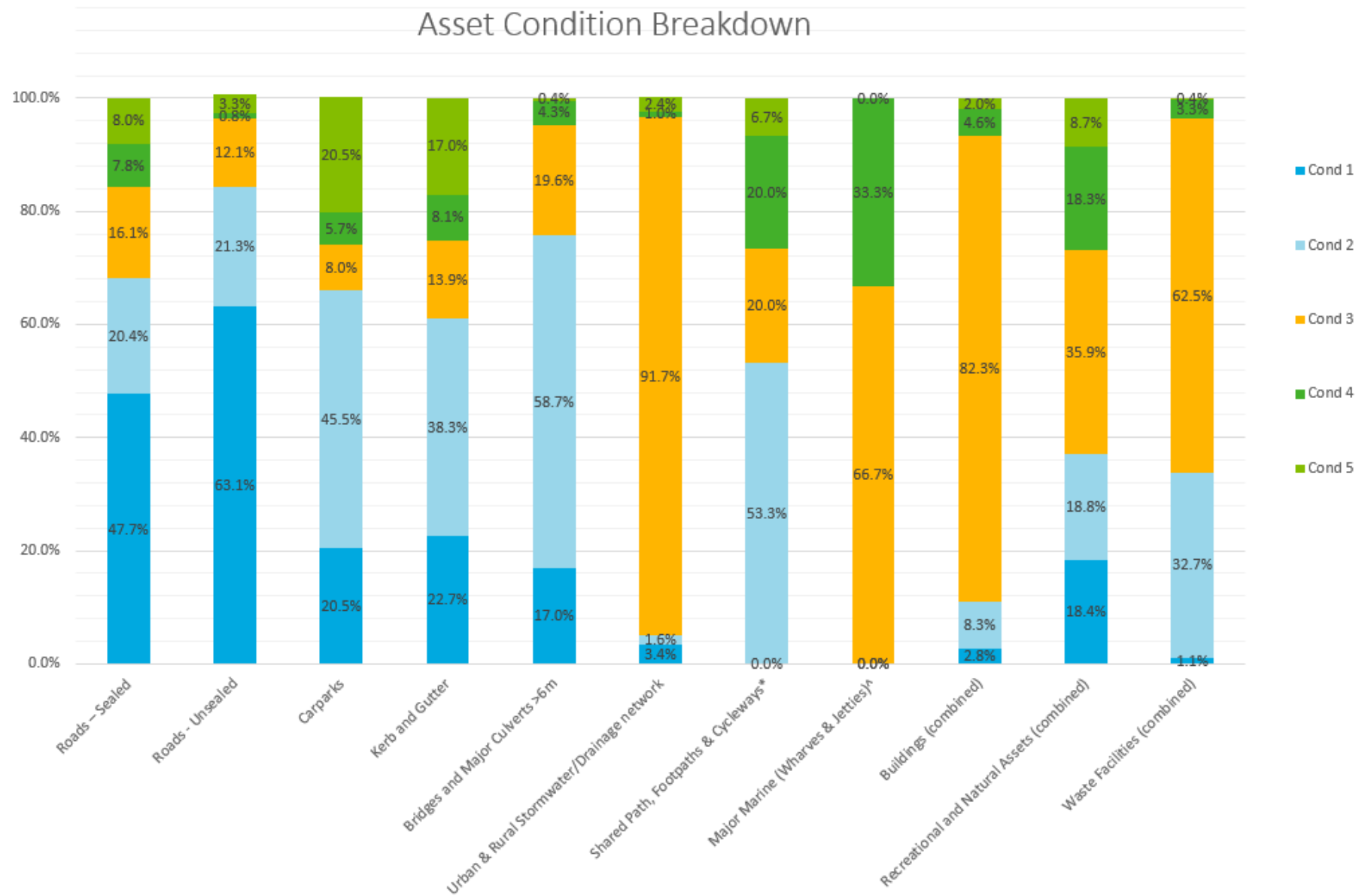


Figure 3: Asset Condition Breakdown

Key Insights

Council's assets have degraded to below accepted levels of service, with the number and value of assets at or below condition level 4 at concerning levels. These condition ratings differ from those presented in the FY21 Audited Financial Statements due to updates following several declared disaster events, improvement in our asset data, and our ongoing asset inspection regimes. Condition level 4 or lower suggests the need for renewal or upgrade. The urgency will depend on safety, criticality, and component condition. It is important to note the following detailed insights:

- The renewal of unsealed roads generally requires a methodology of resheeting e.g. the importation of quality road base material and reconstruction of the road pavement. This is a very expensive methodology relative to the amount of unsealed road renewed.
- The renewal of bridges and other (complex) structures is expensive, generally requiring the replacement of the majority of the structure or the complete decommissioning of the existing structure and replacement with a new, modern equivalent. Bridges and other structures in condition 4 or lower also present potentially extreme risks to safety. The relative few number of assets in this condition should not bely the cost and urgency of renewal requirements.
- The renewal of buildings is a complex undertaking. Some may only require the renewal of commercial fitouts, others may require structural reinforcement, or the replacement of entire components of the building (such as roofs). At condition level 4 or below, the safe habitation of the building may be compromised. The relative few number of assets in this condition should not bely the cost and urgency of renewal requirements.
- The recently announced Tathra Wharf upgrade project will treat all major concerns with asset condition in Major Marine assets.
- The ongoing Airport upgrade project has invested significantly in the quality of assets in that service area. Once the project is complete and capitalised it will update our financial position.

- Waste Services indicate that there is insufficient funding to provide agreed levels of service while also meeting NSW EPA licence requirements, and that the adopted improvement model will rely on increases to waste fees and charges, or alternate revenue sources.

Without significant asset renewal intervention, the quality of assets (and the services they support) will continue to decline across key service areas of Council. In particular for several of these asset classes, the safety of the asset is paramount.

Asset Lifecycle Management

Lifecycle management details how Council plans to manage and operate our assets at agreed levels of service while optimising life cycle costs and managing risks. Underpinning any plan are the resources required to deliver it. Rarely do resource inputs perfectly match expenditure output (being driven by levels of services).

Asset Financial Management

The activities required to maintain financial sustainability and meet our asset management needs are detailed in the Long-Term Financial Plan (LTFP) 2023-32. The LTFP has been developed using operations, maintenance and renewal forecasts from Asset Management Plans to achieve asset management objectives. The following information provides an explanation of key aspects of asset management that have significant influence on Council's financial sustainability and are integrated in the LTFP.

Asset life cycle costs

Council allocates funds in the Long Term Financial Plan and annual budgets to manage the life cycle costs of assets. Asset renewals, maintenance and operations targets have been developed through asset life cycle modelling and incorporated into the LTFP. Committing and delivering these targets in annual budgets is crucial to achieving the desired outcomes within the Asset Management Framework.

Asset class revaluations

Council undertakes asset revaluations by individual service areas over a five yearly cycle, as recommended by the Audit Office NSW. The revaluations are integral to confirming and updating financial planning figures against our assets. Due to the cycle, the assets within a service area may undergo a bold adjustment as condition ratings, unit rates, and replacement values are re-baselined. Multiple asset class revaluations are concurrently underway out of sync with the five year cycle as a result of impacts of natural disasters and COVID-19 on resourcing.

Routine Operation and Maintenance

Operation includes regular activities to provide services such as public health, safety and amenity, e.g. cleaning, utility services, street sweeping, grass mowing and street lighting. Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

Funding Asset maintenance

Maintenance funding should aim to align to increases in the size and age of the asset base, changing standards and increasing community expectations.

Asset Renewal/Replacement

Renewal and replacement expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original or lesser required service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

Asset renewal expenditure

Asset renewal is an asset life cycle phase that restores an existing asset or component of an asset to its original condition. It includes activities that refurbish or replace assets with assets of equivalent capacity or performance capacity. A key factor in the decision to undertake asset renewal is the asset desired useful life. This is the extent of time that the asset is desired to remain in service. If renewal occurs prior to useful life being achieved, then there is a financial write off to be accounted for.

Renewal works are identified in forward works plans, and prioritised based on criteria relevant to each asset category, including risk, technical levels of service and customer levels of service. Prioritised projects are typically included in the Delivery Program and Operational Plan.

Asset renewal funding gap

Infrastructure assets have a useful economic life, after which renewal should occur to ensure continued service and cost-effective maintenance and repairs. The availability of infrastructure assets is imperative to the sustainability of Council's asset-related services. Therefore, an important performance indicator relating to asset management is the renewal funding gap.

This is determined by identifying projected (or required) renewal expenditure, based on a range of factors, including asset condition, age and remaining life. The projected renewal expenditures are then compared to planned (or funded) renewal expenditure over the planning period. This identifies the funding gap between projected and planned renewals. Minimising this gap ensures that services are being provided in a sustainable manner.

Asset Disposal

Asset disposal is the removal or decommissioning of assets from service following the end of an asset's service life or change in asset requirements due to rationalisation. It includes the sale of assets no longer deemed operationally useful.

These costs, and the use of the sale proceeds, are determined by Council as part of the disposal decision-making process. Where renewal or replacement of an asset is undertaken before the asset has reached the end of its useful life, the remaining asset value is written off.

The sale of fleet assets is an adopted business practice and is fundamental to the management of this asset class. Council is investigating options to divest (through transfer of ownership/sale) building assets whose cost outweighs the community benefit of Council retaining. These include Rural Fire Service, Surf Living Saving and some heritage listed Council managed Crown buildings. There is considerable work, including legislative change, required to pursue this option.

Planning Asset Lifecycles

Councils are required to present at least three scenarios representing various levels of service, and adopt the most suitable model given the strategic and operating environments and financial sustainability.

Bega Valley Shire Council is presenting these models in the Long Term Financial Plan:

- **Decline.** A reduction in the levels of service and quality of assets, including extending the operating life of assets beyond their estimated useful life
- **Maintain.** Maintaining levels of service, where the vast majority of assets should be maintained at minimum condition level 3, which may require the renewal of assets before the end of their estimated useful life and never extended beyond their useful life.
- **Improve.** A balanced blend of desirable outcomes where levels of service increase (generally requiring greater expenditure), new services/assets are acquired, and some existing assets are upgraded/expanded based on community desire. Asset renewals are prioritised and generally renewed at condition level 3 so that the number of assets at condition level 4 or 5 are limited.

The remainder of this SAMP presents and refers to the Decline Model (unless specifically stated otherwise), as this is the only model currently sustainable within our estimated revenue. The following tables present the financial summary from the Long Term Financial Plan and asset performance indicators that are drawn from data from the FY21 Audited Financial Statements, updated to exclude Water and Sewer assets.

Decline Model LTFP

Income Statement

	2023 <i>Projected</i>	2024 <i>Projected</i>	2025 <i>Projected</i>	2026 <i>Projected</i>	2027 <i>Projected</i>	2028 <i>Projected</i>	2029 <i>Projected</i>	2030 <i>Projected</i>	2031 <i>Projected</i>	2032 <i>Projected</i>
Revenue:										
Total Rates and Annual Charges	26,336	26,994	27,669	28,361	29,070	29,797	30,542	31,305	32,088	32,890
User Charges and Fees	7,465	7,652	7,843	8,039	8,240	8,446	8,657	8,874	9,095	9,323
Interest and Investment Revenue	400	163	74	0	0	0	0	0	0	69
Other Revenue	2,760	2,829	2,900	2,972	3,047	3,123	3,201	3,281	3,363	3,447
Own Source (Internal) Revenue	36,961	37,638	38,486	39,372	40,357	41,365	42,400	43,460	44,546	45,729
Grants and Contributions - Operating Purposes	31,184	27,367	28,051	28,752	29,471	30,208	30,963	31,737	32,530	33,344
Total Income from Continuing Operations	68,145	65,005	66,537	68,124	69,827	71,573	73,362	75,196	77,076	79,072
Expenses										
Employee benefits and on-costs	28,422	28,081	28,783	29,502	30,240	30,996	31,771	32,565	33,379	34,214
Borrowing costs (Interest expense)	523	506	408	328	254	203	155	119	81	41
Materials and contracts	23,173	15,332	15,715	16,108	16,511	16,924	17,347	17,781	18,225	18,681
Depreciation and amortisation	18,331	20,057	20,559	21,073	21,599	22,139	22,693	23,260	23,842	24,438
Other expenses	7,151	7,330	7,513	7,701	7,893	8,091	8,293	8,500	8,713	8,931
Total Expenses from Continuing Operations	77,600	71,306	72,978	74,712	76,498	78,353	80,259	82,225	84,240	86,304
Net Operating Result before Grants and Contributor	(9,455)	(6,301)	(6,442)	(6,588)	(6,670)	(6,780)	(6,897)	(7,029)	(7,163)	(7,231)
Grants and Contributions - Capital Purposes	24,010	2,000	2,030	2,060	2,091	2,123	2,155	2,187	2,220	2,253
Net Operating Result after Grants and Contributions	14,555	(4,301)	(4,412)	(4,528)	(4,579)	(4,658)	(4,742)	(4,842)	(4,944)	(4,978)

Table 5: General Fund- Decline model extract from the LTFP 2023-32

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Renewals of assets										
Non infrastructure assets	2,230	2,205	1,723	1,774	1,660	2,312	2,629	3,200	2,589	2,269
Buildings	10,186	231	350	220	160	380	270	300	300	300
Other Structures	6,274	2,340	40	–	–	–	–	–	–	–
Roads	12,090	9,128	5,900	8,599	5,221	6,765	6,060	8,799	5,259	6,716
Bridges	5,461	1,335	1,855	2,475	1,276	1,050	1,760	2,290	1,685	950
Footpaths	–	–	202	–	–	–	–	240	118	1,186
Bulk Earthworks (non-depreciable)	–	–	–	–	–	–	–	–	–	–
Storm water drainage	969	932	887	864	821	767	668	791	613	657
Swimming pools & other open spaces	1,607	647	3,073	805	5,500	2,698	1,371	3,731	1,614	6,565
Total renewals on infrastructure and assets	38,817	16,818	14,030	14,737	14,638	13,972	12,758	19,351	12,178	18,642
Accumulated Depreciation										
Non infrastructure assets	16,026	16,065	16,641	17,223	17,979	18,143	18,052	17,453	17,531	17,995
Buildings	4,703	6,299	7,822	9,521	11,329	12,965	14,762	16,581	18,452	20,378
Other Structures	(2,195)	(2,968)	(1,402)	244	1,931	3,661	5,434	7,251	9,114	11,023
Roads	80,226	80,463	84,161	85,401	90,265	93,837	98,373	100,434	106,307	111,001
Bridges	72,532	73,332	73,666	73,435	74,459	75,766	76,423	76,609	77,463	79,115
Footpaths	5,754	6,145	6,343	6,754	7,174	7,605	8,047	8,260	8,606	7,896
Bulk Earthworks (non-depreciable)	–	–	–	–	–	–	–	–	–	–
Storm water drainage	22,049	21,895	21,805	21,757	21,774	21,865	22,076	22,187	22,498	22,789
Swimming pools & other open spaces	33,582	34,687	33,409	34,445	30,831	30,066	30,677	28,978	29,446	25,015
Total Accumulated Depreciation	230,506	233,746	240,274	246,610	253,571	261,738	271,673	275,582	287,246	293,041
Actual Maintenance										
Total (Infrastructure only)	12,768	13,087	13,414	13,749	14,093	14,445	14,807	15,177	15,556	15,945
Required Maintenance										
Total (Infrastructure only)	14,471	14,832	15,203	15,583	15,973	16,372	16,781	17,201	17,631	18,072
Cost to Agreed service level set by Council										
Total (Infrastructure only)	5,942	9,916	15,952	21,752	27,958	36,130	46,156	51,752	63,339	72,632

Table 6: Renewal expenditure and depreciation extract- LTFP 2023-32

Infrastructure asset performance indicators

\$'000	Amounts 2021	Indicator 2021	Indicators 2020	Benchmark 2019	
Buildings and infrastructure renewals ratio*					
Asset renewals 1	16,617	106.72%	91.12%	115.39%	> =100.00%
Depreciation, amortisation and impairment	15,570				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	22,091	2.07%	3.95%	1.81%	< 2.00%
Net carrying amount of infrastructure assets	1,064,927				
Asset maintenance ratio**					
Actual asset maintenance	27,401	111.91%	136.01%	100.00%	> 100.00%
Required asset maintenance	24,484				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service set by Council	22,091	1.40%	2.19%	1.32%	
Gross replacement cost	1,575,462				

* These ratios include significant proportion of Restricted Grant Funding that cannot be relied upon in future years

** These figures and ratios include significant State funded Disaster Recovery works, and distort the performance of Council in delivery required maintenance

Table 7: Infrastructure asset performance indicators - FY21 Audited Financial Statements extract



Figure 4: Performance Ratios - FY21 Audited Financial Statements extract

Key Insights

Acknowledging the difficulty in meeting service levels over the last three financial years due to constraints imposed by unprecedented successive natural disasters and COVID-19, Council has failed to meet benchmarks for asset renewals investment despite large injections of funding from grants secured during the same period. The financial forecast presented in the Long Term Financial Plan 2023-32 demonstrates that within available funding, this is likely to continue without some form of intervention. It should be expected that Council's infrastructure renewals ratio will continue to be lower than benchmarks and the infrastructure backlog ratio will worsen in the near term, whilst Council pursues additional revenue in order to improve the overall asset condition over the remainder of the 10 year forecast period.

Service Delivery

Community Consultation

Council's last comprehensive community satisfaction survey was conducted in 2016 which means there is a lack of recent data across the business to assist in definition of required levels of service to meet the communities expectations. There has been targeted community consultation in some service areas including in the development of the Water and Sewer Strategic Business Plan in 2022, Waste Services Strategic Business Plan in 2021 and the Cemeteries Plan in 2020.

The consultation conducted in the development of the Community Strategic Plan 2042 did not directly canvass satisfaction levels against service areas; however, feedback was generally aspirational indicating a potential preference for assets to be provided and managed inline with the Improve model in the LTFP. Improved infrastructure was rated as a key attribute in the community consultation with the following sentiments expressed by the community.

"Improving road conditions, more footpaths, public toilets, tarring the heavily-used dirt roads, preservation of heritage infrastructure, and better infrastructure maintenance in general."

Service Delivery

There are many areas within Council that have responsibility for infrastructure asset management. Responsibilities range from managing an entire road network to single buildings and recreational facilities across the

Shire and include identifying projects for delivery, planning project delivery, securing funding and servicing of the physical asset. The physical project delivery and/or servicing can be achieved using in-house or contract resources managed by Council.

Service Levels Drivers

It is a key priority action in the Asset Management Improvement Plan to conduct detailed and targeted community consultation on service levels. This was not conducted in the prior Integrated Planning and Reporting review cycle due to COVID-19 and successive natural disasters. Regardless of the strategic and operational environment Council will face in this review cycle, this consultation is of the highest priority.

Council has three key drivers for our levels of service

1. Community Expectations: communicated to Council through various mechanisms including customer requests, have your say and direct/targeted community consultation
2. Legislative Requirements: Local, State and Federal Acts and Regulations.
3. Technical Levels of Service: Linked to annual budgets.

The Technical Levels of Service, definition and examples are indicated in the Table below. They have not changed substantially since the previous Integrated Planning and Reporting review.

Table 8: Technical Levels of Service and Examples

Level of service	Definition and Examples
Operations	Activities to allow services and facilities to function for their intended purpose e.g. opening hours, cleaning, roadside mowing grass, energy, inspections, water pump and chlorination plant operations, dam operations, landfill operations, waste collection, environmental monitoring and maintenance, waste and resource recovery, managing vegetation and noxious weeds, controlling wind-blown litter, graveside maintenance
Maintenance	Activities to allow an asset to reach its intended service life e.g. road patching, unsealed road grading, building and structure repairs, painting buildings, structural repairs, water pump mechanical repairs, chlorination equipment instrument calibration and maintenance, maintaining and maintenance of environmental controls, maintaining an appropriate network of access roads and tracks in waste facilities, building maintenance and repairs, silt control dams, six monthly or annual inspections and compliance checks, annual maintenance programs (ovals restoration, tree pruning program, pool plant servicing, painting park furniture and shelters
Renewal	Activities that return an asset to its original service capability e.g. frequency and cost of road resurfacing and pavement reconstruction, pipeline replacement and building component replacement, replacing a roof, frequency and cost of water mains replacement, replacement of pumping equipment at end of useful life, fencing replacements and renewal of access roads in waste facilities, signage replacement, building component replacement, frequency and cost of pool plant replacement, park furniture replacement, amenities building replacement, play equipment replacement and building component replacement, cemetery furniture replacement
Upgrades	Activities that provide a higher level of service e.g. widening a road, sealing an unsealed road, replacing a pipeline with a larger size, new kitchen in community building, replacing a pipeline with a larger size, increasing the capacity to landfill waste by construction of a new cell, widening or sealing a gravel pathway, adding additional play equipment, adding a viewing platform to a lookout area, increasing sportsground lighting capacity, installing an irrigation system, replacing an oval pavilion with a larger version or a new service that did not exist, e.g. a new library, new water treatment facility, new waste transfer station extension of lawn cemetery, memorial gardens and niche walls

Key Insights

When considering the key insights presented in the “Current State of the Assets” and “Asset Lifecycle Management” sections compared to the modelled scenarios in the Long Term Financial Plan, it becomes obvious that the service levels of Council exceed our financial means to sustainably deliver them. In light of changes in demand for Council’s services discussed in the next section, it becomes obvious that Council must seek additional sources of revenue, or lower its levels of service in some or most of its service areas.

Future Demand

Predicting future demand is an uncertain science that enables Council to plan ahead and identify the best way of meeting the predicted demand. Council monitors and analyses demand regularly through various means such as; utilisation data, industry trend reports, population growth and demographics, community surveys, observation of other councils with similar scale and demographics. Various master plans and strategies have been adopted by Council and influence asset management decisions. We understand future demand on Council's assets and services is being driven by three main factors, although there are many more complex and nuanced reasons for changes in demand.

1. Population growth and change in demographic composition
2. Changes in technologies
3. Climate change adaption requiring rebuilding, recovery and resilience activities

Population growth and change in demographic composition

The current population (2022) in the Bega Valley is estimated to be 35,118 and is expected to grow modestly to 38,138 by 2036. This represents an increase of 8.6% over the 14 year time horizon. Growth can generally be attributed to net migration, with the major contribution historically from Sydney. Dwelling occupancy rates are currently sitting at 84% and are

expected to remain consistent. Despite the high vacancy rate (16%) housing supply and affordability are major issues for the Shire. This suggests the high proportion of vacant dwellings are not available for purchase or rent by those seeking accommodation and operate as secondary residences for ratepayers living elsewhere. This trend is forecast to continue in the future. Additionally the average number of persons per household is estimated to be 2.25 people, with a forecast decline to 2.15 people by 2036. This suggests a generally ageing and retiring population, migrating to the Valley.¹¹

Figure 5: Forecast household types

Forecast household types

Bega Valley Shire	2016		2026		2036		Change between 2016 and 2036
Type	Number	%	Number	%	Number	%	Number
Couple families with dependents	3,199	21.5	3,175	19.5	3,306	18.6	+107
Couples without dependents	5,549	37.3	6,335	38.9	6,723	37.9	+1,174
Group households	366	2.5	344	2.1	322	1.8	-44
Lone person households	4,168	28.0	4,829	29.6	5,700	32.1	+1,532
One parent family	1,421	9.6	1,426	8.7	1,497	8.4	+76
Other families	167	1.1	192	1.2	207	1.2	+40

Source: Population and household forecasts, 2016 to 2036, prepared by .id (informed decisions), December 2017.

¹¹ Generated by .id (Informed Decisions)

Specific economic insights cannot be reliably drawn from these estimates; however an ageing population profile is likely to drive change in the way Council services and assets are used. Demand for early childhood services and the assets that support them will likely remain static, whilst demand for recreational assets, community facilities and transport options desired by older populations will increase.

Population growth generally leads to new development activity in the form of new sub-divisions and redevelopment of existing properties. This will result in growth to Council's assets. The rate of new development activity in the shire is significantly greater than in the past; however, the transfer of assets to Council from development tends to be less than 1% of total asset networks annually. Whilst this seems modest, the increase in rateable population does not generally cover the additional costs of those assets to Council over time and presents another sustainability challenge for Council to address, particularly when the quality of assets transferred to Council is varied.

Changes in technology

It's widely accepted that our national and global economic structure isn't sustainable. The global community is estimated to consume resources almost twice as fast as the planet's ecosystems can regenerate them. The transition to a circular economy is being advocated at all levels of government, with technology a major component of driving change. Council has recently elected to join other major stakeholders in the shire in the Bega Valley Circular Economy initiative supported by Bega Cheese Limited and Rabobank. Council is in the early stages of adopting a Circular Economy framework which will help guide our future asset management planning to support this transition.

Our transition to a Circular Economy is expected to change the materials and methodologies used in managing our assets, with associated cost impacts. At this time these are not well understood and more work is planned to assess and adopt proven technologies as they emerge.

Climate Change adaptation and resilience

Since the adoption of the previous Asset Management Plans in 2017 the Bega Valley has suffered unprecedented successive natural disasters brought about by rapidly accelerating climate change. We recognise this is now the status quo and must prepare for an increase in detrimental impacts for our community and Council's operations, assets and services. Council is grappling with providing assets that are resilient to the change in expected operating conditions. This includes upgrading our assets to be more sustainable, emitting less carbon, more resilient to extremes in climatic conditions and offering refuge to our communities during events.

In particular our buildings, stormwater and transport infrastructure need to account for sea level rise, larger and more frequent floods and inundation, contrasted with periods of extreme drought and heat leading to more frequent and dangerous bushfires. To proactively adapt to climate change, Council's Asset Management Plans are beginning to be informed by; natural disaster strategies/plans, flood studies and flood plain risk management plans, current and projected exposure and damages from climate change hazards.

Upgrading our assets to meet these needs is predominantly contained in the Improve model, requiring a significant increase in levels of service. Unfortunately this is beyond our current financial means. Council has been fortunate in recent years to be provided Federal and State Government disaster recovery funding to build back our assets lost or damaged through natural disasters.

Risk Management

Council recognises that risk exists in all aspects of its operations. It takes seriously the impact of risk on business continuity and service delivery and is committed to an approach that embraces a strong risk management culture and fulfils Council's duty to provide a safe environment that fulfills the organisation's purpose.

Council has adopted an Enterprise Risk Management Framework and corporate risk register, which is used to identify and manage significant risks. The framework is founded on principles from the Australian and New Zealand ISO Standard on Risk Management (AS/NZ ISO 31000:2009).

It guides the monitoring and reporting of risk profiles and the required actions to reduce the level of risk presented to Council and the community. Linked to the corporate risk register are asset specific risk management plans that have been incorporated into the Asset Management Plans for each asset class. These assist in the identification and management of significant risks for each asset class. They provide detailed evaluation of the significant risks, risk treatments and risk monitoring activities. Key whole of Council asset risks are provided below, with summary of the risks from each asset class / service delivery area.

Asset Class / Service Delivery Area	Risk/Opportunity Description	Risk Impact Statement	Mitigation/Management Strategies
Corporate – Whole of Council	<ol style="list-style-type: none"> Forecast asset renewal costs¹² exceed forecast revenue Asset data is low-medium quality 	<ol style="list-style-type: none"> Levels of service decline as the condition of assets deteriorate Maintenance costs increase against general fund Margins of error increase and affect quality of decisions 	<ol style="list-style-type: none"> Seek external funding opportunities (grants), prepare for special rate variation, lower technical levels of service Complete asset technology transformation projects, conduct revaluations to refresh asset condition, value and depreciation data
Airport	<ol style="list-style-type: none"> Asset capacity does not meet increasing demand for GA¹³ and RPT services 	<ol style="list-style-type: none"> Lost economic generation, service disputes with carriers and lessee's 	<ol style="list-style-type: none"> Complete existing upgrade project and seek additional funding for future stages of development
Buildings incl community facilities	<ol style="list-style-type: none"> Buildings not maintained or components renewed appropriately especially roofs and structural components 	<ol style="list-style-type: none"> Assets deteriorate beyond safe or habitable condition, depreciation impacts overall financial viability, assets unused and services relocated 	<ol style="list-style-type: none"> Investigate divestment of RFS, Surf Life Saving and high-cost Council managed Crown assets, increase inspection and maintenance activities in lieu of renewals
Cemeteries	<ol style="list-style-type: none"> Low risk-low relative cost service area. No significant risks to report 	<ol style="list-style-type: none"> The adopted Cemeteries Plan has not identified any major service impacts 	<ol style="list-style-type: none"> Delivery and regular update of the Cemeteries Plan 2020-2030
Parks, Aquatic and Recreation	<ol style="list-style-type: none"> A lack of funding to upgrade or renew assets ultimately leads to a decline in the condition of these assets to be rendered "unfit for purpose" 	<ol style="list-style-type: none"> This translates to a real or perceived inequity in provision of facilities below what the community expects, increased potential of injury to the community in the use of Council's park, aquatic and recreational assets, particularly those which are not properly maintained, lower quality of life outcomes 	<ol style="list-style-type: none"> Prioritise operations and maintenance programs on high use-high value recreational assets to ensure they are in a 'fit for purpose' condition
Roads Infrastructure	<ol style="list-style-type: none"> Condition and valuation data is aged and due to re-valuation, successive 	<ol style="list-style-type: none"> Renewals and repairs are not prioritised to most needed assets, 	<ol style="list-style-type: none"> Convert asset data to corporate system, undertake whole of

¹² Based on condition inspections and remaining useful life estimates

¹³ General Aviation and Regular Public Transport


	intensive climate conditions are accelerating deteriorating assets	local access and rural unsealed road condition worsens	transport revaluation and network definition activities, lower technical levels of service against low use-value assets
Shared Network	8. Assets deteriorating and introduce non-compliant trip hazards. Poor connectivity with shared path network that incorporates cycleways and boardwalks to critical infrastructure like schools, CBD, hospitals, aged care homes etc. Reduced compliance for accessibility and mobility	8. Increased frequency of incidents and claims and maintenance costs from an increase in trip hazards, marginalised vulnerable community members unable to access active transport options	8. Accept risk in this asset class/service area. Prioritise maintenance and inspection for higher traffic areas (Zone 1 CBDs)
Sewer	9. Considered separately in Water and Sewer Strategic Business Plan and Strategic Asset Management Plan – however the fees and charges associated with this service delivery area contribute to the corporate level risk of asset forecast renewal costs exceed forecast revenue and the overall resident and rate payers ability to afford the levels of service provided by Council		
Stormwater	10. Inundation and extreme vegetation growth impacting system capacity, low confidence condition data due to cost and difficulty of effective inspections	10. Unforeseen, unpredictable localised failure to manage current and future stormwater volume, property damage and claims	10. Prioritise condition assessment and reactive maintenance in highly impacted catchments
Structures	11. Timber structures at/nearing end of useful life and costly to replace Detailed inspection regime historically unfunded	11. Load limits applied to routes, assets vulnerable to intense weather events, reactive maintenance activities are not carried out	11. Increase operations and maintenance budgets, convert timber structures to more resilient materials excepting high heritage value assets
Waste	12. Waste generation volumes continue to increase, and with lesser focus on diversion, provision of landfill airspace takes priority over consolidation and maintenance of existing waste infrastructure	12. Waste diversion is not prioritised, landfill airspace is over utilised and Council's ability to deliver affordable waste management solutions deteriorates	12. Consolidate operations, minimise landfill airspace consumption through improved operational practices, increased resource recovery and waste minimisation programs
Water	13. Considered separately in Water and Sewer Strategic Business Plan and Strategic Asset Management Plan – however the fees and charges associated with this service delivery area contribute to the corporate level risk of asset forecast renewal costs exceed forecast revenue and the overall resident and rate payers ability to afford the levels of service provided by Council		

Asset Management Improvement Plan

Council has developed high level focus areas and specific operational actions to improve asset management practices. These actions, described in the table below, are closely aligned with the Delivery Program and form the Asset Management Improvement Plan which will be implemented by the Corporate Asset Management Group.

Focus Area	Action	Expected Benefit(s)	Timeframe	Priority
<div>1</div> Financial and asset management planning, integration and reporting	Align asset operation, maintenance, renewal, and upgrade information with finance systems and reporting	Consistent, accurate and timely (High quality/confidence) information	Ongoing	High
	Undertake a review of the asset revaluation timeline and ensure forward planning and resourcing for revaluations are considered	Council understands its position Strategic objectives are correctly resourced	Ongoing	Low
	Ensure any future Developer Contributions Plans are developed with input from the Corporate Asset Management Group with reporting provided on the funds obtained and their allocation to assets	Strategic objectives are correctly resourced	FY23 onwards	Medium
	Develop asset accounting processes to identify all asset expenditure requirements into clear categories- renewal, growth, maintenance or operational- with these category definitions consistently used in asset planning	Processes and their outputs are transparent, repeatable, reliable and well understood	FY23	High
	Review corporate chart of accounts to ensure cost centres and classifications for each category are accurate and reflect current organisation structure and service delivery	Consistent, accurate and timely (High quality/confidence) information	Ongoing	Medium

Focus Area	Action	Expected Benefit(s)	Timeframe	Priority
Data collection and information management <div>2</div>	Document processes to reduce processing time for annual financial budgets and reporting requirements and external valuation processes	Consistent, accurate and timely (High quality/confidence) information	FY23	Medium
	Ensure the SAMP is reviewed and updated annually	Planning decisions are based on High quality/confidence information and sensitive to emerging opportunities and risk	Ongoing	Medium
	Establish clear expectations and a consistent approach to calculating depreciation and backlog	Processes and their outputs are transparent, repeatable, reliable and well understood	Ongoing	High
	Establish clear processes and procedures for the review, collection, maintenance and recording of asset data in the corporate asset register	Processes and their outputs are transparent, repeatable, reliable and well understood	Ongoing	Medium
	Ensure all Council assets are captured in Council's corporate asset register and transition all Council service areas to a single asset maintenance system	Consistent, accurate and timely (High quality/confidence) information	FY23-FY25	High
	Regularly audit information in the corporate asset register to ensure each asset has relevant attributes filled, assets are assigned to a position and that asset managers are confident with the data	Council understands its position Consistent, accurate and timely (High quality/confidence) information	FY23	Medium
	Develop and introduce data validation, auditing, and reporting processes	Processes and their outputs are transparent, repeatable, reliable and well understood	FY23	Medium
	Identify and implement systems integration between the corporate asset register and Council's geospatial, finance and customer service systems	Consistent, accurate and timely (High quality/confidence) information	Ongoing	Medium

Focus Area	Action	Expected Benefit(s)	Timeframe	Priority
Capacity building 	Utilise the corporate asset register modelling tool to support the consideration of adding new assets to Council's portfolio, explicitly detail the impact on the future operations and maintenance budgets, "whole of life" costs and risk management assessments	Council understands its strategic and operating environment Planning decisions are based on high quality/confidence information and sensitive to emerging opportunities and risk	FY24	Low
	Implement and incorporate AS/ISO55000, AS/ISO55001 and AS/ISO55002 (2014) standards into processes with intent for independent accreditation	Processes and their outputs are transparent, repeatable, reliable and well understood	Ongoing	Medium
	Undertake a review of roles, resources and responsibilities for asset management and provide recommendations for improvement	Council understands its position Strategic objectives are correctly resourced	Ongoing	Medium
	Undertake an organisation wide Asset Management Maturity Assessment and seek Council commitment to implement recommendations	Council understands its position	FY24	High
	Develop a roadmap for organisation-wide asset management literacy	Strategic objectives are correctly resourced	FY23	Medium
	Implement well understood and repeatable business processes, supported by project management software for delivering capital and operational projects	Processes and their outputs are transparent, repeatable, reliable and well understood	Ongoing	Medium
	Ensure each asset class has measurable and repeatable methodologies for asset inspection and network assessment	Processes and their outputs are transparent, repeatable, reliable and well understood	Ongoing	Low

Focus Area	Action	Expected Benefit(s)	Timeframe	Priority
Operational implementation <div>4</div>	Conduct community engagement including our strategic partners about the condition and performance of our assets to establish updated service levels	Council understands the needs of its stakeholders Consistent, accurate and timely (High quality/confidence) information	Ongoing	High
	Ensure alignment with Council's Risk Management Framework in managing Council's assets and develop Asset Risk Management Plans	Processes and their outputs are transparent, repeatable, reliable and well understood	FY23	Medium
	Revisit the charter, composition and resourcing of the Asset Management Group	Strategic objectives are correctly resourced	FY23	Low
	Review technical levels of service that are compliant for each asset class	Council understands the needs of its stakeholders	FY24	High
	Minimum design standards established once technical and community levels of service levels have been confirmed.	Processes and their outputs are transparent, repeatable, reliable and well understood	FY25	Medium
	Develop and improve practices for responding to asset-related risk occurrences	Council understands its strategic and operating environment Processes and their outputs are transparent, repeatable, reliable and well understood	Ongoing	Medium
	Plan and undertake activities to build resilience in the asset base in response to environmental challenges	Council understands its strategic and operating environment	Ongoing	High

The actions tabulated above are mutually supportive to continuously improve Council's Asset Management System. This can be conceptualised by visualising the benefits of these actions as the building blocks of a mature Asset Management System.

The Mature Asset Management System		
Strategic objectives are correctly resourced		
Decisions are based on High Quality/Confidence information and sensitive to emerging opportunities and risk		
Processes and their outputs are transparent, repeatable, reliable and well understood		
Consistent, accurate and timely (High Quality/Confidence) information		
Council understands its position	Council understands the needs of its stakeholders	Council understands its strategic and operating environment

Digital Strategy 2022–25

DRAFT



Bega Valley Shire Council acknowledges the Traditional Custodians of the lands and waters of the shire, the people of the Yuin Nation, and show our respect to elders past, present and emerging.

Contents

Digital Resources and Investment.....3

Our Technology Commitments5

Our Digital Motivators and Drivers6

Our Digital Transformation6

Digital Resources and Investment

Council, like many other modern organisations, relies on effective digital resource management to support the operational activities required to deliver services.

Council has substantial investment in traditional information technology infrastructure including corporate information systems, website services, data management and storage and technology assets. This infrastructure provided a reliable foundation to commence digital transformation, mobilising our workforce during the 2018 bushfires, the 2019-20 Black Summer bushfires and COVID-19. This was evidenced by enabling service continuity and supporting staff safety during major external events in our operating environment.

Mobilising our workforce is one of many opportunities available through digital transformation. Continued investment in digital transformation will enable Council to keep pace with the modern world and technology advancements.

This Digital Strategy outlines how Council will continue our journey of digital transformation delivering on three key outcomes:



A more efficient Council – increased flexibility and mobility of our staff



Improved service to Council customers – increased ease of use and access to our services



Smarter community engagement – increased digital investment to better connect with our community

Our Technology Vision

To empower and enable Council service delivery through secure, efficient, easy to use digital services.

For BVSC staff this means increased flexibility and mobility in working environments and greater visibility of Council's data, enabling operational efficiencies.

Our Technology Commitments

Investing in digital transformation allows for simplified business operations, engagement and service access. We will provide a more holistic experience for all stakeholders. Council is committed to improving service delivery through the following technology commitments.

- 1 Undertake continuous improvement and innovation** – Exploring and adapting to new technologies for Council services in our community
- 2 Enable committed governance** – Keeping our information safe and our systems standardised
- 3 Empower digital government** – Improving the ways we interact and engage stakeholders, partners and our community
- 4 Embed business and data analytics** – Creating meaningful, easily accessible and useful data



Our Digital Motivators and Drivers

In developing this strategy and planning for the future, Council has considered what is driving transformation, change and innovation both internally to Council and in the government sectors across Australia. This strategy outlines the drivers and plans to ensure Council strives for continued improvement and alignment with relevant and beneficial global trends.

Bega Valley Shire Council

Like many businesses in the Bega Valley, the years since 2018 have required Council to provide a more flexible and mobile working environment. The bushfires, floods and COVID-19 have required workplace capability to be readily available outside of the traditional office environment. This requirement provided individuals and organisations with many benefits and is now an expectation of modern workplaces.

To ensure Council's information technology infrastructure continues to be agile, scalable and reliable, continued investment and digital transformation is required.

Global Trends

As technology continues to heavily feature in our personal lives with more and more services moving away from solely being a traditional physical offering, the expectation for government services to follow suit is increasing. These global trends in service delivery identify 3 key areas of focus that build on a foundation to assist Council to ensure our Information Technology (IT) infrastructure continues to securely support our business.

Engineered Trust

Digital business requires a resilient and efficient IT foundation at its core. Without a well-designed base, there is no way to scale cost-efficiently. IT is responsible for engineering the trust necessary in our connected world. Engineering trust into our systems will simplify interacting with our services, making data readily available and sharable across Council services.

Supported Change

With the trusted foundation in place, the next focus is technologies that enable the organisation to scale its digitisation efforts. IT cannot match the pace of change alone; fusion teams- made up of IT and our business experts - will collaborate and drive innovation to rapidly digitise the business. IT's job is to provide the tools to allow fusion teams to shape the changes. Working with various Council business areas and our community will allow business-led technology investment.

Accelerated Growth

When the foundation and building blocks are established, it's time to focus on technology trends that maximise the value of what the organisation creates. By building trust and empowering business and community led change, Council will aim to ensure investment in technology interconnects and enhances our services for a more holistic user experience.

Our Digital Transformation

Guiding Principles

The following principles will be at the forefront of our digital service improvement initiatives, keeping us focused and accountable.

We will be...

Financially responsible *by sourcing and assessing digital resources to deliver a strong return on investment and business sustainability.*

Customer centric, *focused on systems, service availability, capacity and quality.*

Sustainable, resilient and compliant *through committed governance.*

Improvement focused, *inspiring and leading a continuous improvement and innovative culture.*

We will use...

Business intelligence *to access and display data that facilitates open, transparent, and accountable decision making.*

Delivery

Council's Information Technology Function will establish a Digital Transformation Program to oversee and govern the delivery of this strategy.

Detailed deliverables and a roadmap to achieve our technology commitments will be part of establishing the Digital Transformation Program. Detailed action plans will be specified for each delivery year, contributing to the achievement of this strategy.

Outlined below is the approach we will take to achieve our commitments and desired outcomes. This staggered approach allows us to build upon the improvements delivered in the previous year, managing the required changes and aiming to reduce large, upfront project costs.

All Years: Undertake Continuous Improvement and Innovation

Identify new technologies for council business and community improvement.

Establish Digital Transformation Program.

Possible improvement opportunities:

- * Improved business system processes resulting in reduced processing / service delivery timeframes
- * Identified community technology investments

Year 1: Enable Committed Governance

Keeping our information safe and our systems standardised

Possible delivery priorities:

- * Security threat investment,
- * Business System Architecture review and standardisation

Year 2: Empower Digital Government

Improving the ways we interact and engage stakeholders, partners and community

Possible delivery priorities:

- * Investigation of improved engagement and communication technologies
- * Continued expansion and development of mobile and digital workplace

Year 3: Embed Business and Data Analytics

Creating meaningful and easily accessible and digestible data

Possible delivery priorities:

- * Enable transparent, open and accountable business reporting, through increased data accessibility.

Measuring our Success

Success criteria will be defined as part of the Digital Transformation Program. At a high-level, Council will conduct a maturity assessment prior to commencing our digital transformation journey and another at the close. The assessment will be focused on measuring our success in delivering the desired outcomes.



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Improved service to Council customers – increased ease of use and access to our services



Smarter community engagement – increased digital investment to better connect with our community



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